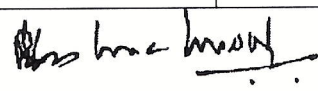


FORM - A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Power Grid Corporation of India Limited		
2.	Annual financial statements for the year ended	31 st March, 2015. (Standalone & Consolidated)		
3.	Type of Audit observation	<u>Un-qualified / Matter of Emphasis</u> Reference to Note 2.25(b) of financial statements of FY 2014-15(both standalone and consolidated), in respect of the provisional recognition of revenue from transmission charges.		
4.	Frequency of observation	Whether appeared first time : No Whether repetitive : Yes Since how long period : Since FY 2009-10 for standalone financial statements and FY 2010-11 for consolidated financial statements.		
5.	To be signed by-			
	• CEO/Managing Director			
	• CFO/Director (Finance)			
	• Auditors of the Company	 S.K. MEHTA & CO.	 CHATTERJEE & CO.	 SAGAR & ASSOCIATES
	• Audit Committee Chairman			

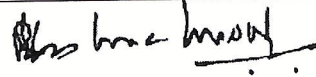


FORM - B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Power Grid Corporation of India Limited
2.	Annual financial statements for the year ended	31 st March, 2015. (Standalone & Consolidated)
3.	Type of Audit observation	(a) <u>By Statutory Auditors in Statutory Auditors' Reports</u> (Standalone & Consolidated) <u>Qualified..... / Subject to...../ Except for.....</u> <i>i) The company has not made any adjustment in respect of revenue of ₹144.91 crore recognized for the period 01.07.2010 to 31.08.2011 in respect of Barh-Balia Transmission line, wherein company appeal is pending with Hon'ble Supreme Court against the order of Appellate Tribunal for Electricity (ATE) to re-determine the Date of Commercial Operation (DOCO) refer note 2.38 (note 2.40 of CFS). Pending decision of Hon'ble Supreme Court, and determination of DOCO by CERC and in view of uncertainty involved, in our opinion, provision should have been made for the revenue recognized for the period under dispute. This has resulted in increase of Profit before tax for the year by ₹109.70 crore and increase in Current Assets by ₹109.70 crore.</i> <i>ii) The Company has not made any provision in respect of outstanding dues of ₹15.64 crore from one of the medium term open access customers, which is under liquidation, under an order of the Hon'ble High Court at Calcutta, refer note 2.39 (note 2.41 of CFS). Moreover, no favourable order has been received in respect of Company's petition before the Central Electricity Regulatory Commission for allowing the recovery of such dues from other beneficiaries. As the recovery of such dues is doubtful, in our opinion, the provision should have been made in the accounts. This has resulted in increase of Profit before tax for the year by ₹11.84 crore and increase in Current Assets by ₹11.84 crore.</i> <i>iii) Furthermore, as a result of non-provisions mentioned in our qualification Nos. i) and ii) stated above, there are impact on various heads in the financial statements, the aggregate impact of all the above is as under:</i>

		<table><tr><th>Sl.</th><th>Particulars</th><th>Increase (₹Crore)</th><th>Decrease (₹Crore)</th></tr><tr><td>1</td><td>Revenue from operation</td><td></td><td>37.45</td></tr><tr><td>2</td><td>Employee Benefit Expenses</td><td>1.56</td><td></td></tr><tr><td>3</td><td>Transmission, administration and other expenses</td><td></td><td>160.55</td></tr><tr><td>4</td><td>Profit Before Tax</td><td>121.54</td><td></td></tr><tr><td>5</td><td>Tax Expenses</td><td></td><td>8.15</td></tr><tr><td>6</td><td>Profit After Tax</td><td>129.69</td><td></td></tr><tr><td>7</td><td>Reserves & Surplus and Shareholders' Fund</td><td>129.69</td><td></td></tr><tr><td>8</td><td>Short-term Provisions</td><td></td><td>5.75</td></tr><tr><td>9</td><td>Capital work in progress</td><td>0.84</td><td></td></tr><tr><td>10</td><td>Trade Receivable</td><td>160.55</td><td></td></tr><tr><td>11</td><td>Other Current Assets</td><td></td><td>37.45</td></tr></table>	Sl.	Particulars	Increase (₹Crore)	Decrease (₹Crore)	1	Revenue from operation		37.45	2	Employee Benefit Expenses	1.56		3	Transmission, administration and other expenses		160.55	4	Profit Before Tax	121.54		5	Tax Expenses		8.15	6	Profit After Tax	129.69		7	Reserves & Surplus and Shareholders' Fund	129.69		8	Short-term Provisions		5.75	9	Capital work in progress	0.84		10	Trade Receivable	160.55		11	Other Current Assets		37.45
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		<u>(b) Comments of Comptroller & Auditor General of India (C&AG) on Consolidated Financial Statements</u> <i>Power Grid Corporation of India Limited (PGCIL) has consolidated its share in one of its Joint Ventures viz. National High Power Test Laboratory Private Limited (NHPTPL) in its Consolidated Financial statements on the basis of 20% shareholding as per Joint Venture agreement. The shareholding portion of PGCIL in NHPTPL, however stood at 21.64% as on 31/03/2015 due to non-contribution of required Share Capital by one of the Joint Venture Partners. Thus, neither the consolidation of share of PGCIL in assets and liabilities in NHPTPL has been done as per share holding of PGCIL in NHPTPL on 31/03/2015 nor the reasons for not doing so has been disclosed in the Notes to Accounts.</i>																																																
4.	Frequency of observation	Whether appeared first time : Yes Whether repetitive : No Since how long period: First time in FY 2014-15 for standalone and consolidated financial statements.																																																
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors report:	Disclosure made at Sr. No. 2.38 & 2.39 of Notes on Standalone Financial Statements and at Sr. No. 2.40 & 2.41 of Notes on Consolidated Financial Statements for the FY 2014-15 in respect of the matter for which comments/qualification are given by Statutory Auditors. Disclosure made at Sr. No 2.33 of Notes on Consolidated Financial Statements (for 20% shareholding in National High Power Test Laboratory Pvt. Ltd.) in respect of matter for which comment is issued by the C&AG of India.																																																

		The Management's replies to the comments/ qualifications mentioned above have been included in the Director's Report at <i>Annexure IV and V</i> of the Director's Report for the FY 2014-15. The Management's Replies on the comments/ qualifications in the Statutory Auditors' Report (both Standalone and Consolidated) and the Comment of C&AG of India for the FY 2014-15 are given at <i>Annexure I and II</i> respectively.		
	Additional comments from the board / audit committee chair :	Nil		
5.	To be signed by-			
	• CEO/Managing Director			
	• CFO/Director (Finance)			
	• Auditors of the Company			
		S.K. MEHTA & CO.	CHATTERJEE & CO.	SAGAR & ASSOCIATES
	• Audit Committee Chairman			



The Comments/qualifications of the Statutory Auditors and Management's Reply thereto

Auditor's Comments	Management's Reply
i) The company has not made any adjustment in respect of revenue of ₹ 144.91 crore recognized for the period 01.07.2010 to 31.08.2011 in respect of Barh-Balia Transmission line, wherein company appeal is pending with Hon'ble Supreme Court against the order of Appellate Tribunal for Electricity (ATE) to re-determine the Date of Commercial Operation (DOCO) refer note 2.38 (note 2.40 of CFS). Pending decision of Hon'ble Supreme Court, and determination of DOCO by CERC and in view of uncertainty involved, in our opinion, provision should have been made for the revenue recognized for the period under dispute. This has resulted in increase of Profit before tax for the year by ₹ 109.70 crore and increase in Current Assets by ₹ 109.70 crore.	The Company is entitled for the transmission charges w.e.f. 01/07/2010, as approved by CERC on 29/04/2011, since the line was ready for regular service on completion of Company's scope of work. Thus, the declaration of DOCO on 01/07/2010 is correct as per CERC Tariff Regulations, 2009. Pending decision of the Hon'ble Supreme court and pending re-determination of DOCO by CERC, no provision was made in respect of Revenue of ₹ 144.91 crore recognized in earlier years for the period from 01.07.2010 to 31.08.2011. However, as directed by Appellate Tribunal for Electricity (ATE), CERC has now reviewed and has re-determined the DOCO. CERC has revised the tariff vide order dt. 30/06/2015 and shifted the DOCO from 01/07/2010 (earlier approved) to 01/09/2011. The Company has referred the matter to Hon'ble Supreme Court for appropriate relief against the above said CERC order and ATE order, which is genesis of the entire issue. Pending final decision regarding shifting of DOCO from 01/07/2010 to 01/09/2011 by the Hon'ble Supreme Court, no provision has been considered in the accounts.
ii) The Company has not made any provision in respect of outstanding dues of ₹ 15.64 crore from one of the medium term open access customers, which is under liquidation, under an order of the Hon'ble High Court at Calcutta, refer note 2.39 (note 2.41 of CFS). Moreover, no favourable order has been received in respect of Company's petition before the Central Electricity Regulatory Commission for allowing the recovery of such dues from other beneficiaries. As the recovery of such dues is doubtful, in our opinion, the provision should have been made in the accounts. This has resulted in increase of Profit before tax for the year by ₹ 11.84 crore and increase in Current Assets by ₹ 11.84 crore.	The MTOA is a transmission service provided on the margins available in the existing transmission network and the Company is not impacted (increase/decrease) due to grant of MTOA or cancellation thereof as per CERC regulations. Considering that the entire transmission charges are recoverable from long term customers, who have signed agreement for establishment of such transmission systems as per CERC sharing regulations, no provision is required towards the above dues.
iii) Furthermore, as a result of non-provisions mentioned in our qualification Nos. i) and ii) stated above, there are impact on various heads in the financial statements, the aggregate impact of all the above is as under:	In view of management's reply at i) and ii) above, there is no impact in the financial statements as on 31st March, 2015 of the Company.

Sl.	Particulars	Increase (₹ Crore)	Decrease (₹ Crore)
1	Revenue from operation		37.45
2	Employee Benefit Expenses	1.56	
3	Transmission, administration and other expenses		160.55
4	Profit Before Tax	121.54	
5	Tax Expenses		8.15
6	Profit After Tax	129.69	
7	Reserves & Surplus and Shareholders' Fund	129.69	
8	Short-term Provisions		5.75
9	Capital work in progress	0.84	
10	Trade Receivable	160.55	
11	Other Current Assets		37.45

Comments of the Comptroller and Auditor General of India (C&AG) and Management's Reply thereto:

C&AG's Comments	Management Reply
Power Grid Corporation of India Limited (PGCIL) has consolidated its share in one of its Joint Ventures viz. National High Power Test Laboratory Private Limited (NHPTPL) in its Consolidated Financial statements on the basis of 20% shareholding as per Joint Venture agreement. The shareholding portion of PGCIL in NHPTPL, however stood at 21.64% as on 31/03/2015 due to non-contribution of required Share Capital by one of the Joint Venture Partners. Thus, neither the consolidation of share of PGCIL in assets and liabilities in NHPTPL has been done as per share holding of PGCIL in NHPTPL on 31/03/2015 nor the reasons for not doing so has been disclosed in the Notes to Accounts.	The para 29 of the Accounting Standard 27 issued by the Institute of Chartered Accountants of India on the issue of consolidation of accounts states that 'When reporting an interest in a jointly controlled entity in consolidated financial statements, it is essential that a venturer reflects the substance and economic reality of the arrangement, rather than the joint venture's particular structure or form'. As per clause 4.2.3 of Joint Venture (JV) agreement corresponding to Article 1 of Articles of Association of NHPTPL, the JV partners shall be under contractual obligation to subscribe to such increased issued capital in the agreed proportion (i.e., 20%). Therefore, POWERGRID shareholding is restricted to 20%. However, due to delay in payment by one of the joint venture partner of equity demanded by NHPTPL, share of POWERGRID in the assets and liability works out to 21.64% as on 31/03/2015 i.e. balance sheet date. However, in substance as per the JV agreement, POWERGRID is entitled to 20% shares in the company. The Consolidated Financial Statements (CFS) are prepared as per the fundamental accounting concept of 'Going Concern' and as per Accounting Standard -27. Accordingly, treatment of share of JV Company in the CFS is in order and therefore, there is no requirement of any disclosure also. Notwithstanding above, there would be no impact on consolidated profit of POWERGRID considering the consolidation @ 21.64%, as per C&AG comment. Only Assets and Liabilities would increase by Rs. 3.84 crore each, which is not material considering the total CFS assets of Rs. 160764.28 crore.



Vision

“World Class, Integrated, Global Transmission Company with Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy”

Values

- Zeal to excel and zest for change
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Ensure speed of response
- Foster learning, creativity and team-work
- Loyalty and pride in POWERGRID

Mission

“ We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by :

- World class : Setting superior standards in capital project management and operations for the industry and ourselves
- Global : Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies
- Inspiring, nurturing and empowering the next generation of professionals
- Achieving continuous improvements through innovation and state-of-the-art technology
- Committing to highest standards in health, safety, security and environment”

Objectives

The Corporation has set following objectives in line with its Vision, Mission and its status as “ Central Transmission Utility” to:

- Undertake transmission of electric power through Inter-state Transmission System
- Discharge all functions of planning and coordination relating to Inter-State transmission system with-
 - i. State Transmission Utilities;
 - ii. Central Government;
 - iii. State Governments;
 - iv. Generating Companies;
 - v. Regional Power Committees;
 - vi. Authority;
 - vii. Licensees;
 - viii. Any other person notified by the Central Government in this behalf.
- To ensure development of an efficient, co-ordinated and economical system of Inter-State Transmission lines for smooth flow of electricity from generating stations to the load centres.
- Efficient Operation and Maintenance of Transmission Systems.
- Restoring power in quickest possible time in the event of any natural disasters like super-cyclone, flood etc. through deployment of Emergency Restoration Systems.
- Provide consultancy services at national and international level in transmission sector based on the in-house expertise developed by the organization.
- Participate in long distance telecommunication business ventures.
- Ensure principles of Reliability, Security and Economy matched with the rising / desirable expectation of cleaner, safer, healthier Environment of people, both affected and benefited by its activities.

PowerTel

Diversified into telecommunication to utilize available resources in establishing & operating National Grid. Established Broadband Telecom Network of about 33,000 kms connecting over 350 POPs on extensively spread Transmission Infrastructure.

- Only utility in the country having pan India overhead optic fibre on its Extra High Voltage Transmission Network
- POWERGRID Fibre Telecom Network
 - Sturdy & Secure
 - Free from rodent menace and vandalism
- Network has self resilient rings for redundancy in backbone as well as intra-city access networks
- Offering total solutions and to meet specific needs of the customers
- Reliability of Telecom Network 99.95%
- Bandwidth capacity available on all the metros & major cities
- Extensive telecom network to serve uneconomic and backward areas for the benefit of the common man
- Plan to extend network to neighboring countries for terrestrial SAARC Telecom Grid
- Possesses National Long Distance (NLD), Internet Service Providers (ISP), Category – A and Infrastructure Provider Category – I (IP-I) Licenses to provide Telecom services in the country
- One of the executing agency for major prestigious projects of Govt. of India, like - National Knowledge Network (NKN), National Optical Fibre Network (NOFN) etc.
- Already providing - Virtual Local Area Network (VLANs), Multi Protocol Label Switching (MPLS) based VPNs
- Introducing other Value Added Services:
 - Voice over Internet Protocol (VOIP)
 - Video Conferencing
 - Wi-fi Services

Power Grid Corporation of India Limited

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016.

Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana)

Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Members of Power Grid Corporation of India Limited will be held on **Tuesday, the 15th September, 2015 at 11.00 a.m. at "Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi - 110 010"** to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31st March, 2015, the Report of the Board of Directors and Auditors thereon.
2. To note the payment of interim dividend and declare final dividend for the Financial Year 2014-15.
3. To appoint a Director in place of Shri Ravi P. Singh (DIN: 05240974), who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri R. P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.
5. To fix the remuneration of the Statutory Auditors for the Financial Year 2015-16.

SPECIAL BUSINESS:

6. Ratification of remuneration of the Cost Auditors for the Financial Year 2015-16.

To consider and if thought fit, to pass with or without modification, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that Pursuant to Section 148 of the Companies Act, 2013 the remuneration of M/s. K. G. Goyal & Associates, Cost Accountants and M/s. R. M. Bansal & Co., Cost Accountants as the joint Cost Auditors of the Company (for Transmission and Telecom business) as approved by the Board for the Financial Year 2015-16 at ₹ 2,00,000/- (Rupees Two Lakhs only) to be shared equally by both the firms; Taxes as applicable to be paid extra, travelling and out of pocket expenses to be reimbursed at actuals as per policy of the Company and M/s. K. G. Goyal & Associates, the Lead Cost Auditor to be also paid for the work of consolidation and filing of consolidated cost audit report for the Financial Year 2015-16 for the Company as a whole an additional fee of ₹ 10,000/- (Rupees Ten Thousand only) being 10% of its Cost Audit Fee be and is hereby ratified."

7. Enhancement of Borrowing Limits from ₹ 1,30,000 Crore to ₹ 1,50,000 Crore.

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

- (i) "Resolved that in supersession of Board Resolution passed on 23rd October, 2013 for enhancing the Borrowing Powers to ₹ 1,30,000 Crore, approval of which was obtained from the Shareholders of the Company on 27th December, 2013 through Postal Ballot, the consent of the Shareholders be and is hereby accorded to the Board of Directors, under section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and the Articles of Association of the Company for borrowing, whether by way of Term Loan/Equipment Finance/Cash Credit facilities or the like from time to time any sum or sums of money at its discretion from National/International Financial Institutions/ Banks or from Public/Bodies Corporate or from Government Body/ Corporation or Govt. of India or by way of issue of Bonds/Rupee Linked Bonds from Domestic/International/Overseas sources, on such

terms and conditions and with or without security as the Board of Directors may think fit, which together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the bankers of the Company in the ordinary course of business) **shall not exceed in the aggregate at any time ₹ 1,50,000 Crore (Rupees One Lac Fifty Thousand Crore Only)** irrespective of the fact that such aggregate amount of borrowings outstanding at any one time may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves.”

- (ii) “Further resolved that pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company, to mortgage and/or create charge on all or anyone or more of the movable/immovable properties or such other assets of the Company, wheresoever situated, both present and future, on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of National / International Financial Institutions / Banks / Multilateral, Bilateral institutions, etc. hereinafter referred as “the lenders” and Trustees to the Lenders & Bondholders to secure any Term Loans/Cash Credit Facilities/ Debentures/Bonds or the like, obtained/to be obtained from any of the aforesaid lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption, cost, charge(s), expenses and all other monies payable by the Company to such lenders under the respective loan/other agreement(s) entered/to be entered into between the Company and the lender(s) in respect of the said borrowing(s), such security to rank in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board.”
- (iii) “Further resolved that the Board of Directors be and is hereby authorised and it shall always be deemed to have been so authorised to finalise and execute with the Lenders/Trustees the requisite agreement, documents, deeds and writings for borrowing and/or for creating the aforesaid mortgage(s) and/or charge(s) and to do all such other acts, deeds and things as may be necessary to give effect to the above resolutions”.
- (iv) “Further Resolved that the Director (Finance) / Company Secretary be and is hereby authorized to carry out minor modifications, if any, and to do all such acts deeds and things as may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolutions.”

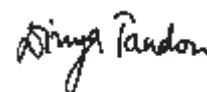
8. To raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked, Bonds under Private Placement during the Financial year 2016-17 in up to eight tranches/offers, with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option.

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION

- (i) “Resolved that pursuant to Sections 23(1)(b), 42 and 71 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 as amended, Foreign Exchange Management Act, 1999 as amended, Securities and Exchange Board of India, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, or provisions of any other applicable law, whether in India or abroad and the Memorandum and Articles of Association of the Company, approval be and is hereby granted to raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked, Bonds under Private Placement during financial year 2016-17 for financing of POWERGRID Capital expenditure requirement and further, in the event of requirement, providing Inter Corporate Loan(s) on cost to cost basis and back to back servicing, to wholly owned project SPV's acquired by POWERGRID under Tariff Based Competitive Bidding (TBCB) Projects from time to time, in up to eight tranches/offers, with/without Green Shoe Option and each tranche/offer shall be of up to ₹2,000 Crore of Bonds, exclusive of Green Shoe Option.”

- (ii) "Resolved further that the Board of Directors / Committee of Directors for Bonds be and is hereby authorized to finalize detailed terms and conditions of each issue / tranche of Bonds, Issue programme of Bonds, through Book-building Process or otherwise, etc."
- (iii) "Further resolved that the Board of Directors / Committee of Directors for Bonds / such official(s) as may be authorized by Board of Directors / Committee of Directors for Bonds, be and are hereby authorised and it shall always be deemed to have been so authorised to finalize, execute and deliver / file such offer letter, document(s), deed(s) and writing(s), etc. as may be required and also to do all such other acts, deeds and things, deposit / pay fees, etc. to such Authority as may be necessary for raising funds in INR or any other acceptable foreign currency as permitted by RBI up to ₹ 14,000 Crore during the Financial Year 2016-17 from domestic / external/ Overseas sources through Private Placement of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked, Bonds in up to eight tranches / offers, with / without Green Shoe Option and each tranche/ offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option ."

By order of the Board of Directors



(Divya Tandon)
Company Secretary

Regd. Office:

B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi - 110 016.

(CIN: L40101DL1989GOI038121)

Date: 10.08.2015

**NOTES:****1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by 11.00 a.m. on Sunday, 13th September, 2015. Blank proxy form is enclosed.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. As required by clause 49 of the Listing Agreement entered into with the Stock Exchanges the relevant details of Shri Ravi P. Singh (DIN: 05240974) and Shri R. P. Sasmal (DIN: 02319702), Directors retiring by rotation and seeking re-appointment under aforesaid Item No. 3 and 4, respectively in accordance with applicable provisions of the Articles of Association of the Company and the details of those directors who are being appointed in this Annual General Meeting, are annexed.
3. None of the Directors of the Company is in any way related with each other.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to:-
 - (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - (iii) Deliver duly completed and signed Attendance Slip at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the Attendance Slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
 - (iv) Quote their Folio/Client ID & DP ID Nos. in all correspondence.
 - (v) Note that due to strict security reasons mobile phones, brief cases, eatables and other belongings are not allowed inside the Auditorium.
 - (vi) Note that no gifts/coupons will be distributed at the Annual General Meeting.
6. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Alternatively, such an authority duly certified should be brought by the representative attending on behalf of the corporate body, at the meeting.
7. The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2015 to 15th September, 2015 (both days inclusive).
8. The Board of directors, in its meeting held on 4th March, 2015, had declared an interim dividend @ 6.9% on the paid-up equity share capital of the Company (i.e. ₹ 0.69 per share) which was paid on 19th March, 2015. Members who have not received or not encashed their dividend warrant may approach Karvy Computershare Private Limited, Registrar and Transfer Agent of the Company, for revalidating the warrant or for obtaining duplicate warrant. The Board had further recommended a Final Dividend @13.10% on the paid-up equity share capital of the Company (i.e. ₹1.31 per share) at its meeting held on 30th May, 2015. The dividend, if declared at the Annual General Meeting will be paid on 6th October, 2015 to those Members, whose names appear on the Register of Members of the Company as on 15th September, 2015 in respect of physical shares. However, in respect of shares held in dematerialized form, the dividend will be payable to those persons whose names appear as beneficial owners as at the closure of the business hours on 8th September, 2015 as per details to be furnished by the depositories.
9. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investors Education & Protection Fund of the Central Government. Members are advised to encash their Dividend warrants immediately on receipt. Unclaimed final dividend for the Financial Year 2007-08 will be due for transfer to the Investors Education and Protection Fund of the Central Government ('IEPF') on or before 22nd November, 2015, pursuant to the provisions of Section 205A of the Companies Act, 1956 (or Section 124 of the Companies Act, 2013, once notified).
10. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the Company to make remittance by means of ECS. Those holding shares in Dematerialized form may send the ECS Mandate in the enclosed Form directly to their Depository Participants (DP). Those holding shares in Physical form may send the ECS Mandate Form to Karvy Computershare Private Limited, the Registrar & Share Transfer Agent of the Company. Those who have already furnished the ECS Mandate Form to the Company/ Depository Participant/ Registrar & Transfer Agent with complete detail need not send it again.

The shareholders who hold shares in Physical form and who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Karvy Computershare Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print the details on the dividend warrant.

11. Members holding shares in multiple folios in physical mode are requested to apply for consolidation of shares to the Company or its Registrar & Share Transfer Agent along with relevant Share Certificates.
12. Pursuant to Section 139 (5) of the Companies Act, 2013 the auditors of the Government company are appointed by the Comptroller & Auditor General of India (C&AG) and in terms of Section 142 of the Companies Act, 2013, the remuneration has to be fixed by the company in the Annual General Meeting or in such manner as the company in General Meeting may determine. The Members of the Company, in 25th Annual General Meeting held on 18th September, 2014, authorized the Board of Directors to fix the remuneration of Statutory Auditors for the Financial Year 2014-15. Accordingly, the Board of Directors has fixed audit fee of ₹ 172.29 Lakh (₹ 57.46 Lakh towards audit fee; and ₹ 114.83 Lakh towards work done in other capacities) for the Statutory Auditors for the Financial Year 2014-15 in addition to reimbursement of actual travelling and out-of-pocket expenses for visit to accounting units. M/s. S. K. Mittal & Co., M/s. R. G. N. Price & Co., M/s. Kothari & Co. and Parakh & Co. have been appointed by the C&AG as Statutory Auditors of the Company for the financial year 2015-16. The Members may authorize the Board to fix an appropriate remuneration of Statutory Auditors as may be deemed fit by the Board for the financial year 2015-16.
13. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (excluding Saturday and Sunday), between 11.00 AM to 1.00 PM up to Monday, the 14th September, 2015.
14. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Share Transfer Agents of the Company the prescribed Form (Form No. SH-13) of the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
15. Annual Listing fee for the year 2015-16 has been paid to the Stock Exchanges wherein shares of the Company are listed.
16. Members are requested to send all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other shares related matter and bank account to Company's Registrars.
17. Members are requested to notify immediately any change in their address:
 - (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - (ii) to the Company at its Registered Office or its Registrar & Share Transfer Agent, Karvy Computershare Private Limited in respect of their physical shares, if any, quoting their folio number.
18. Members desirous of getting any information on any items of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
19. Members are required to bring their Attendance slips to the AGM. Duplicate Attendance slips and / or copies of the Report and Accounts will not be provided at the AGM venue.
20. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and in compliance with the provisions of Clause 35B of the Listing Agreement, the Company is offering remote e-voting facility to all the Shareholders of the Company in respect of items to be transacted at this Annual General Meeting and in this regard, the Company has engaged the services of Karvy Computershare Private Limited (KARVY) to provide the facility of remote electronic voting ('remote e-voting').
21. (I) **Instructions and other information relating to remote e-voting are as under:**
 - A. The remote e-voting facility will be available during the following voting period:
 - Commencement of remote e-voting : From 9.00 a.m. (IST) on 12th September, 2015.
 - End of remote e-voting : Up to 5:00 p.m. (IST) on 14th September, 2015.
 - B. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password mentioned at Attendance Slip). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User-ID	For Members holding shares in Demat Form:- a) For NSDL : 8 Character DP ID followed by 8 Digits Client ID b) For CDSL : 16 digits beneficiary ID For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the company.
Password	Your Unique password is printed on the Attendance Slip.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.



- (iii) After entering these details appropriately, click on "LOGIN"
 - (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - (v) You need to login again with the new credentials.
 - (vi) On successful login, the system will prompt you to select the E-Voting Event Number for Power Grid Corporation of India Limited.
 - (vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned overleaf. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
 - (viii) Members holding multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.
 - (ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
 - (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
 - (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
 - (xii) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter, etc., together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: pkmittal171@gmail.com. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
- C.** In case a Member receives physical copy of the Annual General Meeting Notice by Post [for Members whose email IDs are not registered with the Company / Depository Participant(s)]:
- (i) Use 'user ID' and 'initial password' as provided at Attendance Slip.
 - (ii) Please follow all steps from Sr. No.(i) to (xii) as mentioned in (B) above, to cast your vote.
- (II) The remote e-voting period commence on 12th September, 2015. (09.00 AM IST) and ends on 14th September, 2015 (05.00 PM. IST). The remote e-voting module shall be disabled by M/s Karvy Computershare Private limited for voting thereafter and the facility will be blocked forthwith. During remote e-voting period, shareholders of the company holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 8th September' 2015 may cast their vote electronically. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- (III) Any Person who has acquired shares and become Member of the Company after the dispatch of the Notice of the AGM but before the cut-off date of 8th September 2015, may obtain their user ID and password for remote e-voting from Company's Registrar & Transfer Agents, M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032, Phone No: 040 6716 1500, E-mail id: einward.ris@karvy.com, Toll Free No.: 18003454001 and Fax: 040 23420814 and can also request for the physical copy of the Annual Report.
- (IV) Members who have cast their vote through remote e-voting facility prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. At the venue of the meeting members who have not cast their vote through remote voting may cast their vote through ballot paper. The facility for voting by electronic voting system shall not be made available at the AGM of the Company.
- (V) Persons whose names are recorded in the register of members maintained by registrar as on cutoff date i.e. 8th September' 2015 shall only avail the facility of remote e-voting or voting through ballot paper at venue of the meeting.
- (VI) In case of any query, members are requested to contact:
- Name: Shri S. V. Raju/Shri A. Mohan Kumar
Designation: Asstt. General Manager/Dy. Manager
E-mail id: einward.ris@karvy.com
Address: M/s Karvy Computershare Private Limited, Karvy Selenium Tower B,
Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500 032.
Contact details: Phone No: 040 67161571
Toll Free No. 18003454001 and Fax: 040 23420814

- (VII) In case of any query pertaining to e-voting, please visit Help & FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- (VIII) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being Tuesday, 8th September, 2015.
- (IX) The Board of Directors has appointed Shri Pradeep K. Mittal, Advocate, M/s. PKMG Law Chambers, as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (X) The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same. Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.
- (XI) The Results on resolutions shall be declared at or after the Annual General Meeting of the Company and the resolutions will be deemed to be passed on the Annual General Meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (XII) The Results declared along with the Scrutinizer's Report(s) will be available on the website of the Company (www.powergridindia.com) and on Karvy's website (<https://evoting.karvy.com>) immediately after the result is declared by the Chairman & Managing Director and communication of the same to National Stock Exchange of India Limited and BSE Limited.

22. Important Communication to Members:-

As per the provisions of Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and clause 32 of the equity listing agreements, the service of notice/documents including Annual Report can be sent by e-mail to its members. Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of dematerialized shares with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to fill the E-Communication Mandate Form and hand over the same along with Attendance Slip at the Registration Counter of venue of Annual General Meeting for registration of Email address for receiving notice/documents including Annual Report.

EXPLANATORY STATEMENT

ITEM NO. 6

Ratification of remuneration of the Cost Auditors for the Financial Year 2015-16.

Cost Audit for transmission business of POWERGRID is being conducted since Financial Year 2005-06. For Telecom business, Cost Audit has been made compulsory since Financial Year 2011-12. As per Section 148 (3) of the Companies Act, 2013, the appointment of Cost Auditor shall be made by the Board of Directors on such remuneration as may be determined by the members.

Accordingly, it was proposed by the Audit Committee and by the Board (i) to appoint M/s K. G. Goyal & Associates and M/s R. M. Bansal & Co. as joint Cost Auditor of the Company for the FY 2015-16 for a fee of ₹ 2,00,000/- plus applicable taxes. The fee shall be shared equally by the two joint Cost Auditors. The above quoted fees are exclusive of Travelling and out of pocket expenses, which shall be reimbursed by POWERGRID at actual on submission of claim along with documentary proofs and (ii) to appoint M/s. K. G. Goyal & Associates, Cost Accountants, as the Lead Cost Auditor for the work of consolidation of Cost Audit Report for the Company as a whole for an additional fee of ₹ 10,000/- (Rupees Ten Thousand only) being 10% of its Cost Audit Fee.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director and / or Shareholder of the Company.

The Board of Directors of your Company recommends the passing of the resolution as set out in Item No. 6 as an Ordinary Resolution.

ITEM NO. 7.

Enhancement of Borrowing Limits from ₹ 1,30,000 Crore to ₹ 1,50,000 Crore.

The existing limit of borrowing powers of Board of Directors is ₹ 1,30,000 Crore. The total amount of loans drawn and tied up to be drawn along with those to be tied up, will exceed the existing borrowing limit of ₹ 1,30,000 Crore & as would be around ₹ 1,50,000 Crore, as detailed below:

BORROWING PROJECTIONS OF POWERGRID UPTO FY 2017-18 AS ON 30 TH JUNE, 2015			
(₹ in Crore)			
S.No	Particulars	Amount	Amount
A	LOANS DRAWN/LIKELY TO BE DRAWN/TIED UP		
1	DOMESTIC LOAN		
	(a) As on 30.06.2015	69893	
	(b) Loan projected to be drawn during FY 2015-16, 2016-17 & 2017-18	36150	
	(c) Loans tied up and Un-drawn as on 30-06-2015	5675	111718
2	FOREIGN CURRENCY LOAN		
	(a) As on 30.06.2015	29518	
	(b) Loans tied up and Un-drawn as on 30-06-2015	10482	40000
Total A [1+2]			151718
B	LOANS PROJECTED TO BE TIED UP DURING 2015-16 to 2017-18		
	Estimated Foreign/Domestic Long Term Loan/Bonds [Through ADB/World Bank/Supplier Credit/line of Credit etc.]	13500	13500
	TOTAL LOANS [A+B]		165218
C	Loans Repayment expected (01-07-2015 to 31-03-2018)		15740
	TOTAL LOANS DRAWN/LIKELY TO BE DRAWN/TIED UP/TO BE TIED UP [A+B-C]		149478
			say 150000Cr
Exchange rate as on 30.06.2015 is for 1 US \$ = ₹ 64.33, 1 SEK = ₹ 7.85, 1JPY = ₹ 0.5273 and 1 EURO = ₹ 72.37			

In pursuance of Section 180 (1) (c) of the Companies Act, 2013 approval of the Shareholders is required to borrow money in excess of paid-up capital of the Company and its free reserves and to create security by way of creating mortgage and/or charge on movable/immovable properties of the Company, approval of the Shareholders is required under Section 180 (1) (a) of the Companies Act, 2013.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director and / or Shareholder of the Company.

The Board of Directors of your Company recommends the passing of the resolution as set out at Item No. 7 as a Special Resolution.

ITEM NO. 8.

To raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked, Bonds under Private Placement during the Financial year 2016-17 in up to eight tranches/offers, with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option.

1. POWERGRID Board of Directors, in their 318th meeting held on 24.07.2015, approved raising of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable/tax-free, Rupee Linked, Bonds under private placement / Term Loans / Term loan in the form of Line of Credit / ECB / FCB / Multilateral funding /Suppliers credit up to ₹15,173 Crore (Approx) in one or more tranches depending upon the requirement of funds during the Financial Year 2016-17 for financing of POWERGRID Capital expenditure requirement and further in the event of requirement of inter-corporate loan(s) on cost to cost basis and back to backservicing, to wholly owned Project Special Purpose Vehicle(s) acquired by POWERGRID under Tariff Based Competitive Bidding.
2. The aforesaid amount of ₹15,173 Crore includes a proposed drawl of approximately ₹1570Crore from multilateral funding / External Commercial Borrowings (ECB) / Suppliers Credit as Foreign Currency Committed Loans (FCCL). POWERGRID has a term loan agreement with State Bank of India in the form of Line of Credit of ₹10,000 Crore spread over a period of five years and has undrawn balance of ₹5,675Crore as at the end of June, 2016. However, the actual drawlfrom SBI and FCCL can be ascertained only in due course of time depending upon the requirement of funds during F.Y. 2016-17 and any shortfall in drawl from SBI and FCCL will be compensated through raising of additional debt fund from domestic / external sources through issue of Bonds on Private Placement basis in one or more tranches. Accordingly, it is proposed to raise funds in INR or any other acceptable foreign currency as permitted by RBI through issue of Bondson Private Placement basis in one or more tranches / offers up to ₹14,000 crore (within the aforesaid limit of ₹15,173 Crore) from domestic/ external sources under Section 179(3)(c)/179(3)(d) of the Companies Act,2013, depending upon the requirement of funds during the Financial Year 2016-17.
3. Proposal under Item No. 7 has already been put to the shareholders for their approval to increase the borrowing limit from ₹130,000 crore to ₹1,50,000 crore u/s 180(1)(c) and to create security on the assets u/s 180(1)(a) of Companies Act,2013. After considering the increase in proposed borrowing limit from ₹130,000 crore to ₹1,50,000 crore by shareholders, the proposed borrowing will be within the increased borrowing limits of the Company.
4. Pursuant to Sections 23(1)(b) and 42 of Companies Act, 2013 read with Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 Companies,for private placement of Securities are required to seek approval of Shareholders by way of Special Resolution.
5. POWERGRID domestic Bonds have been rated at highest credit rating (AAA) by various Rating Agencies i.e. CRISIL, ICRA & CARE. The rates of interest are a function of market conditions prevalent at the time of entering the market for a particular offer of Bonds on the private placement (including offer to Qualified Institutional Buyer/s). Till now, borrowing through domestic Bonds was being done by the Company at the interest (coupon) rate which was more or less equivalent to prevailing interest rates applicable to AAA rated corporate bonds. In line with the past practice, the proposed domestic borrowing is also envisaged at the interest rates based on more or less equivalent to the prevailing AAA rated corporate bonds interest rates.
6. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution except to the extent that he or she is a Director and / or Shareholder of the Company.
7. The Board of Directors of your Company recommends the passing of the resolution as set out at Item No. 8 as a Special Resolution.

All the documents referred to in the accompanying Notice and explanatory Statement are open for inspection between 10.00 a.m. to 12.00 Noon on all working days at the Corporate Office of the Company i.e. 'Saudamini', Plot No.2, Sector-29, Gurgaon-122 001 or at the Registered Office i.e. B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016 up to Monday, 14th September, 2015.

By order of the Board of Directors



(Divya Tandon)
Company Secretary

Regd. Office:

B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi - 110 016.

(CIN: L40101DL1989GOI038121)

Date: 10.08.2015

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION Directors seeking re-election at the 26th AGM:

1.

Name	Shri Ravi P. Singh
DIN	05240974
Date of Birth and Age	21 st January, 1960 / 55 Years
Date of Appointment	1 st April, 2012
Qualification	Mechanical Engineering and Post Graduate Diploma in HR
Expertise in specific functional area	Shri Ravi P. Singh is Director (Personnel) of our Company. He did his Mechanical Engineering from NIT, Allahabad in First Class with Honors and Post Graduate Diploma in HR from AIMA, New Delhi. He has previously held the positions of Executive Director (Eastern Region-II) and Executive Director (Human Resource Management & Corporate Communication) in POWERGRID. Shri Singh has over 33 years of work experience in the power sector handling various multi - disciplinary functions like HR, Telecom, Contracts, Materials, Planning, Monitoring and Transmission System Construction/O&M. Prior to joining POWERGRID in 1991, Shri Singh has worked for 10 years in NTPC. He was appointed as a Director on our Board in April, 2012.
Directorship held in other Companies (Part-time)	1. PTC India Limited. 2. Powerlinks Transmission Limited. 3. POWERGRID NM Transmission Limited. 4. POWERGRID Vizag Transmission Limited. 5. POWERGRID Unchahar Transmission Limited
Membership / Chairmanship of Committees in other Companies	NIL
No. of Shares held	9,016

2.

Name	Shri R. P. Sasmal
DIN	02319702
Date of Birth and Age	28 th February, 1958 / 57 Years
Date of Appointment	1 st August, 2012
Qualification	B.Sc Engineering (Electronics & Tele-Communication)
Expertise in specific functional area	Shri R. P. Sasmal is Director (Operations) of our Company. Prior to taking up this assignment, he was Executive Director (Operation Services) in the company. A graduate Engineer from Sambalpur University, Odisha, Shri Sasmal has more than 33 years of experience in power sector. Shri Sasmal has handled multi-disciplinary functions such as planning, monitoring and implementation of HVDC projects, EHV transmission systems and Load Despatch and Communication Systems. He was instrumental in introducing the $\pm$ 800 kV multi terminal HVDC transmission system, under implementation in the country, which is first of its kind in the world. Under his guidance, the first unmanned operation of 400 kV sub-station at Bhiwadi was implemented as a pilot project. He has been bestowed upon with "Distinguished Member of CIGRE, 2012" and has published various technical papers on transmission systems especially on HVDC in various national and international professional forums/societies like IEEE and CIGRE. He is currently the national representative for India at CIGRE for HVDC and Power Electronics. Before joining POWERGRID in 1993, he had worked in NTPC Ltd. for around 13 years. He was appointed as a Director on our Board in August, 2012.
Directorship held in other Companies (Part-time)	1. POWERGRID Vemagiri Transmission Limited 2. Cross Border Power Transmission Company Limited 3. Dakshin Haryana Bijli Vitaran Nigam Limited 4. Kalinga Bidyut Prasaran Nigam Pvt. Limited 5. Delhi Transco Limited 6. POWERGRID Vizag Transmission Limited 7. POWERGRID Kala Amb Transmission Limited 8. POWERGRID Warora Transmission Limited 9. POWERGRID Parli Transmission Limited
Membership / Chairmanship of Committees in other Companies	Delhi Transco Limited - Audit Committee (Member)
No. of Shares held	1,798

Power Grid Corporation of India Limited

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana) Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

PROXY FORM

Name of the member (s):

Registered address:

E-mail Id:

Folio no/ Client Id:

DP ID:

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name of the member (s):

Address:

E-mail Id:

Signature:....., or failing him

2. Name of the member (s):

Address:

E-mail Id:

Signature:....., or failing him

3. Name of the member (s):

Address:

E-mail Id:

Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the company, to be held on Tuesday, the 15th September, 2015 at 11.00 a.m. at "Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi-110 010" and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No	Resolutions	For	Against
Ordinary Business			
1	To receive, consider and adopt the Audited Financial Statements (including consolidated financial statements) of the Company for the financial year ended 31 st March, 2015, the Report of the Board of Directors and Auditors thereon.		
2	To note the payment of interim dividend and declare final dividend for the Financial Year 2014-15.		
3	To appoint a Director in place of Shri Ravi P. Singh (DIN: 05240974), who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint a Director in place of Shri R. P. Sasmal (DIN: 02319702), who retires by rotation and being eligible, offers himself for re-appointment.		
5	To fix the remuneration of the Statutory Auditors for the Financial Year 2015-16.		
Special Business			
6	Ratification of remuneration of the Cost Auditors for the Financial Year 2015-16		
7	Enhancement of Borrowing Limits from ₹ 1,30,000 Crore to ₹ 1,50,000 Crore		
8	To raise funds in INR or any other acceptable foreign currency as permitted by Reserve Bank of India (RBI) up to ₹ 14,000 Crore, from domestic / External / Overseas sources through issue of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free, Rupee Linked, Bonds under Private Placement during the Financial year 2016-17 in up to eight tranches/offers, with/without Green Shoe Option and each tranche/offer shall be of up to ₹ 2,000 Crore of Bonds, exclusive of Green Shoe Option.		

Signed this.....day of.....,2015.

Signature of shareholder

Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the resolutions, explanatory statements and Notes, please refer to the Notice of 26th Annual General Meeting.

3. Please complete all details including details of member(s) in the above box before submission.

Affix Revenue Stamp

**Power Grid Corporation of India Limited**

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana) Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

E-COMMUNICATION REGISTRATION FORM

Folio No. / DP ID & Client ID :

Name of 1st Registered Holder :

Name of Joint Holder(s) :

Registered Address :

E-mail ID (to be registered) :

I/we shareholder(s) of Power Grid Corporation of India Limited agree to receive communication from the Company in electronic mode. Please register my above e-mail in your records for sending communication through e-mail.

Signature:.....

(First Holder)

Date:

Note: Shareholder(s) are requested to keep the Company informed as and when there is any change in the e-mail address.**Power Grid Corporation of India Limited**

(A Government of India Enterprise)

CIN: L40101DL1989GOI038121

Regd. Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi- 110016. Phone No.: 011-26560112, Fax: 011-26601081

Corp. Off.: "Saudamini", Plot No. 2, Sector-29, Gurgaon-122001 (Haryana) Phone No.: 0124-2571700-719, Fax: 0124-2571762

Website: www.powergridindia.com, Email ID: powergrid@powergrid.co.in

ECS MANDATE FORM**[APPLICABLE FOR SHARES HELD IN PHYSICAL FORM ONLY]**

To

Karvy Computershare Private Limited

Unit: Power Grid Corporation of India Limited,

Karvy Selenium Tower B, Plot 31-32,

Gachibowli Financial District,

Nanakramguda, Hyderabad – 500 032,

Name of the First/Sole Share holder	
Folio No.	

PAN / Email information

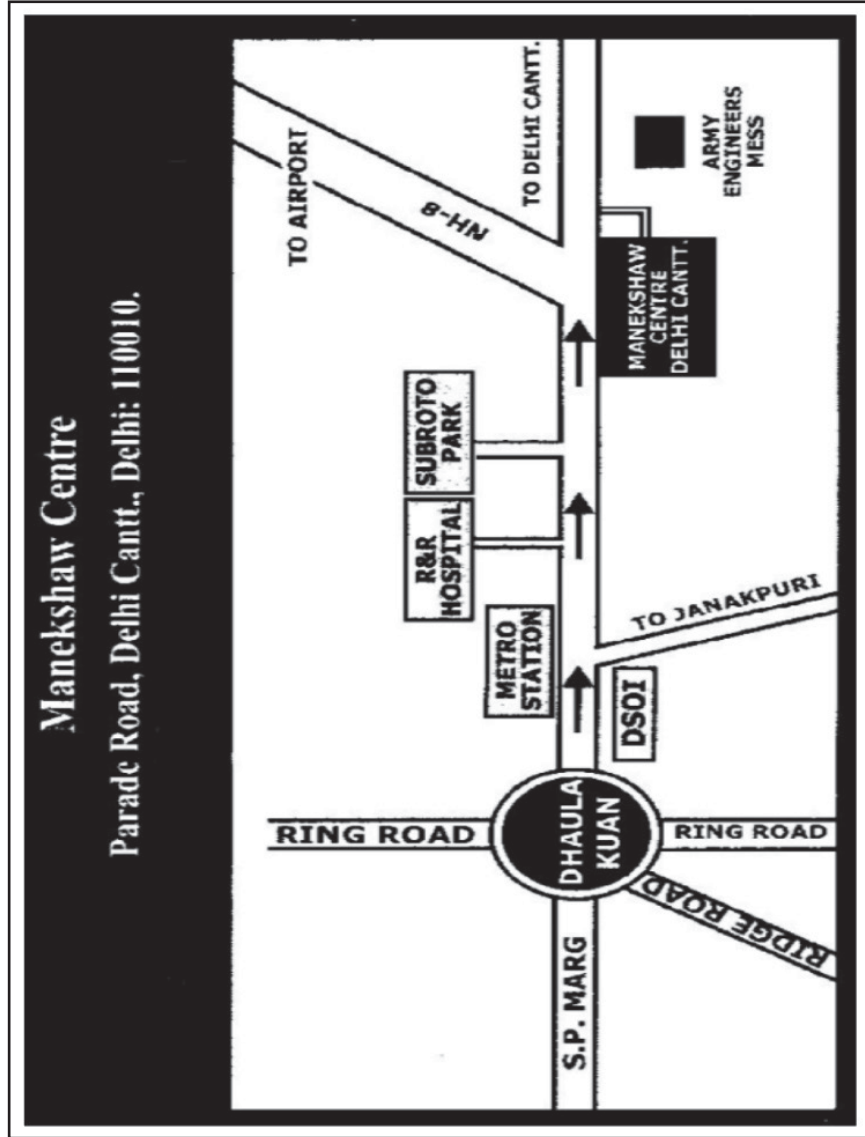
Income Tax Permanent Account Number (PAN) (Please attach a photocopy of PAN Card)	
Email ID	

ECS Mandate Form (for shares held in Physical mode)

Bank Name						
Branch Name & Address						
Bank Account Type (tick)						
	SB		Current		Others	
Bank Account Number						
9 Digit Code Number of the Bank and Branch appearing on the MICR Cheque issued by the Bank (Please attach a photo copy of the Cheque)						

I hereby declare that the particulars given above are correct and complete and also express my concurrence to receive information through e-mail towards dividend paid by the Company under the ECS mode.

Signature of the 1st Registered Holder/Sole Holder



Contents

Notice	i-xvi
Reference Information	2
Letter to Shareholders	3
Directors' Profile.....	5
List of Senior Executives	9
POWERGRID'S Performance	10
Five Years' Summary	11
Directors' Report	13
Annexure I - Management Discussion and Analysis	26
Annexure II - Business Responsibility Report	47
Annexure III - Particulars required Section 134(3)(m) of the Companies Act, 2013	57
Annexure IV - Statutory Auditors and Management's Reply	60
Annexure V - Comments of C&AG u/s 143(6)(B) of the Companies Act, 2013	61
Annexure VI - Secretarial Audit Report.....	63
Annexure VII - Form No. MGT 9	66
Annexure VIII - Report on Corporate Governance.....	87
Annexure IX - Certificate on Corporate Governance	107
Annexure X - Form No. AOC - 2.....	108
Annexure XI - Form No. AOC - 1	112
Annexure XII- Annual Report on Corporate Social Responsibility	115
Balance Sheet.....	134
Statement of Profit and Loss	135
Cash Flow Statement.....	136
Notes	138
Independent Auditors' Report.....	180
Annexure to Independent Auditors' Report.....	183
Consolidated Financial Statements.....	186



पावरग्रिड

Reference Information

POWER GRID CORPORATION OF INDIA LIMITED
CIN: L40101DL1989GOI038121

Registered Office B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016 Phone No. - 011-26560112, Fax – 011-26601081	Company Secretary & Compliance Officer Ms. Divya Tandon
Corporate Office “Saudamini”, Plot No. 2, Sector 29, Gurgaon - 122 001 (Haryana) Phone No. – 0124-2571700-719, Fax – 0124-2571762	Website: www.powergridindia.com E-mail ID: powergrid@powergrid.co.in
For the Financial year under review i.e. 2014-15	
Statutory Auditors M/s S. K. Mehta & Co., Chartered Accountants 504, Kirti Mahal, 19, Rajendra Place, New Delhi – 110 008. Email : rohitmehta@skmehta.co.in M/s Chatterjee & Co., Chartered Accountants 153, Rash Behari Avenue, 3rd Floor, Kolkata – 700 029. Email : chatterjee.ca@rediffmail.com M/s Sagar & Associates, Chartered Accountants H. No. 6-3-244/5, Sarada Devi Street, Prem Nagar, Hyderabad – 500 004. Email : vvidyasagarbabu@yahoo.co.in	Cost Auditors M/s K. G. Goyal and Associates, Cost Accountants, 4A, Pocket – 2, Mayur Vihar III, New Delhi – 110 096. Email : goyaldelhi@yahoo.co.in M/s R. M. Bansal & Co., Cost Accountants, 74, State Bank Colony, G. T. Karnal Road, Delhi – 110 033. Email : cmarmbansal11@gmail.com
Registrar & Share Transfer Agent Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31& 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tele: +91-40-67162222, Fax: +91-40-23420814, Tol free No.1800-345-4001. E-mail: einward.ris@karvy.com	Bankers Indian Overseas Bank Bank of Baroda State Bank of Patiala Canara Bank State Bank of India Punjab National Bank Union Bank of India State Bank of Hyderabad HDFC Bank Ltd ICICI Bank Ltd IDBI Bank Andhra Bank Corporation Bank Axis Bank Ltd Kotak Mahindra Bank Dena Bank State Bank of Mysore
Shares Listed at: National Stock Exchange of India Limited BSE Limited	
Depositories: National Securities Depository Limited Central Depository Services (India) Limited	
Debenture Trustees	
For Bond Series VIII to XV Issue Indian Overseas Bank 10, Parliament Street, Jeevan Deep Building, New Delhi 110 001 Tel:011-23341421,23742559, 23742830 Fax: 011-23348928 Email : parlibr@delirc01.iobnet.co.in	For Bond Series XVI to XLIX Issue IDBI Trusteeship Services Ltd. Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001 Ph : 022-40807000 Fax : 022-66311776 Email : itsl@idbitrustee.co.in

LETTER TO SHAREHOLDERS

Dear Shareholders,

It's my privilege to share with you the performance of your company during the Financial Year 2014-15. The year 2014 marked the completion of 25 glorious years of your Company. In this 'Silver Jubilee' year, your Company continued to see stellar growth and exhibit a number of splendid achievements on several fronts.

Friends, I am delighted to share with you that in this landmark year, a number of large projects including critical elements were commissioned, viz. 765 kV D/C Wardha-Aurangabad lines, 765kV D/C Raipur-Wardha & 765kV Champa-Raipur lines for evacuation of power from IPP Projects in Chhattisgarh, 765 kV D/C Nellore-Kurnool, 765kV D/C Kurnool-Thiruvallam for Southern Region Grid Strengthening, 765kV 2xS/C Angul- Jharsuguda & 765kV D/C Jharsuguda- Dharamjaygarh and 765kV S/C Satna-Gwalior-II lines. Including above, your Company added **8,830 circuit kilometre (ckm)** of Extra High Voltage (EHV) transmission lines, **8 new sub-stations** and **25,786 Mega Volt Ampere (MVA)** transformation capacity during the year. As on 31st March, 2015, your company owns and operates a transmission network of **about 1,15,637 ckt kms of inter-State transmission lines, 192 nos. of EHV & HVDC substations with transformation capacity of 231,709 MVA.**



In Fiscal 2015, your Company recorded a capitalization of **₹21,760Crore**, which is the highest ever capitalization achieved in any financial year of its history. In Fiscal 2015, Profit after Tax (PAT) on consolidated basis crossed the **₹ 5000 crore** mark, registering at **₹5046 crore**. Your Company has registered a **Turnover of ₹17,780Crore** and **PAT of ₹4,979Crore** in Fiscal 2015, which are 13.1% and 10.7% higher respectively, to the corresponding Turnover and PAT in Fiscal 2014, on standalone basis. The **Gross Fixed Assets** of your Company as on 31st March, 2015 stands at **₹118,264Crore** as against **₹96,504Crore** in last fiscal.

On the operational front, your Company continued to maintain the transmission system availability above 99%. The availability for the fiscal 2015 was 99.87% with number of tripping per line limited at 0.53. With rapid increase in asset base of your Company, National Transmission Asset Management Centre (**NTAMC**) has been established, which is manned by experts on 24x7 basis to provide expert handling to system & equipment. At the end of FY 2014-15, 75 substations are being operated through remote operation including 44 substations without operating staff.

In fiscal 2015, your Company also made impressive progress in its other business areas including Consultancy & Telecom thereby enhancing the value for the shareholders. A no. of Consultancy assignments (domestic / international) have been bagged during the year. Also, on the Telecom front, total network coverage has been increased by 12% to 33,241 kms from the earlier reach of 29,641 kms and Number of Points of Presence (PoPs) locations have been increased to 352 from the earlier coverage of 317 PoPs.

During the year, under DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana) scheme (including erstwhile RGGVY), 2666 nos. of villages were energized and infrastructure was created for 581 nos. of partially electrified villages in fiscal 2015. Cumulatively, till March, 2015, infrastructure has been created for electrification of 71,622 villages and service connection have been provided to about ₹ 35.9 lakh BPL households.

Friends, Electricity is one of the most critical components of infrastructure, affecting economic growth and well-being of people at large. The Twelfth Five Year Plan lays special emphasis on development of the infrastructure sector including energy as an imperative for sustaining high growth. Your Company has increased the Capex plan from ₹ 1,00,000Crore to ₹ 1,10,000 Crore for XII Plan mainly towards development of transmission infrastructure for implementation of new inter-State transmission systems including Green Energy Corridors. An investment of ₹ 65,651 Crore has already been made in the first three years of the plan period.

Integration of Renewable Energy Resources with grid is the top priority for energy security and also for carbon emission reduction towards clean development. Towards this, your Company had prepared "Green Energy Corridors" Report which has provision for Intra-state & Inter-state transmission. Based on the Report, GOI has already assigned the development of Inter-state transmission system to your Company. Award for major works have been placed and construction at site has commenced for implementation of Green Energy Corridors. In addition, a comprehensive transmission plan has also been evolved for Green Energy Corridors-II to evacuate power from various Ultra Mega Solar Power parks being developed in various states aggregating about 20,000 MW.

Your Company has taken various initiatives for development of Smart Grid in India towards bringing efficiency in distribution and is extending consulting services for implementation of various projects on Smart Grid Technology in different states. Towards smart transmission, your Company has commenced implementation of Phasor Measurement Unit (PMU) based Unified Real Time Dynamic State Measurement (URTDMS), integrating all State(s) and Central grids for Wide Area Measurements (WAMS).

Friends, your Company has prepared a report on energy efficiency opportunities in India entitled 'Negawatt – Makes a Watt' indicating opportunity of energy saving in 18 energy intensive sectors. Your Company is also setting up 'Energy Efficiency Demonstration Laboratory' at 'POWERGRID Advance Research and Technology Centre (PART) at Manesar, Gurgaon', which is first of the kind in the Country to study energy efficiency means in various fields and facilitate capacity building of stakeholders on energy saving opportunities.



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Further, realizing its obligations and commitment towards Sustainable Development, your Company has taken many initiatives including technological initiatives for conservation of precious Right of Way (ROW), rain water harvesting system which is now an integral part of every new substation design, installation of LED bulbs, solar lights, fuel catalysts devices for DG sets etc. In addition, solar photovoltaic panels are also being installed in the office buildings to meet the internal energy requirements.

Your Company gives priority in Corporate Social Responsibility (CSR) and is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner. Your Company has participated in the "Swachh Bharat Abhiyaan" of GOI for constructing about 10,000 toilets in about 4,500 Government schools in seven states of the country. It has also undertaken Projects of imparting skill development trainings for industry employment/self-employment to about 7500 youths departmentally as well as in association with National bodies, etc. The Company also distributed aids & appliance to differently abled people in association with ALIMCO and arranged "Health Check-up camps" at 30 locations. During FY 2014-15, the Company spent ₹47.42Crore on various CSR activities, which was 75% higher than the expenditure under CSR during FY 2013-14.

Friends, with vast geographical spread of work & large number of high capacity transmission lines and sub-stations with state-of-Art technology under implementation, capacity building is one of the major challenges. In this direction, POWERGRID has established its 'POWERGRID Academy of Leadership' at Manesar for capacity building of its staff as well as for power sector-domestic & international. Further, to have self-reliance of indigenous development of High technology / critical products, POWERGRID has mandated its international suppliers to set up manufacturing facilities in India in the field of 765kV Transformer/Reactors, 800kV HVDC equipment, GIS & major equipment, etc.

During the year FY 2014-15, your Company secured three out of four projects under Tariff Based Competitive Bidding (TBCB), leading to total eight TBCB projects in hand as on 31st March, 2015.

Further, your Company has received many recognition in the form of awards during the year and some of these significant awards include the prestigious "ICSI National Award for Excellence in Corporate Governance" for 2014 awarded by the Institute of Company Secretaries of India (ICSI) in recognition of the highest levels of transparency and governance practices adopted by the Company; "CBIP Award" for the best performing Transmission Utility; designated as "Star PSU of the year" in the 'Business Standard Annual Awards 2014' for Corporate Excellence; and felicitation for remarkable contribution in the Power Sector by 'The Economic Times' in the 'Power Focus 2nd Annual Summit'. Your Company proved its mettle on global front also by, for the first time, entering into the Top 1000 list of "Forbes List of Global 2000 Largest and Most Powerful Public Companies". It was a matter of great pride that POWERGRID was recognized as Fastest Growing Electric Utility in the world by Platts (a division of McGraw-Hill Companies) as part of their 2014 Platts Top 250 Global Energy Company Rankings.

Friends, I am happy to share that Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of your Company has been implemented successfully in the year 2014-15. Presently, majority of the key processes related to business are running on ERP.

On behalf of the Company, I thank each shareholder for their continued confidence and support. I would also like to express my sincere appreciation for the employees whose commitment and efforts made Fiscal 2015 yet another successful year for the Company. I am confident that with dedicated employees and with valuable support of our esteemed shareholders, the Company will continue to excel in meeting expectations of all its stakeholders.

With best wishes,

Yours sincerely,

(R. N. Nayak)

Chairman & Managing Director

Place: New Delhi

Date : 10.08.2015

DIRECTORS' PROFILE

Shri R. N. Nayak,

Chairman & Managing Director

Shri R. N. Nayak, (about 60 years), DIN : 02658070 is the Chairman & Managing Director of our Company. He is a first class Bachelor of Electrical Engineering from NIT, Rourkela and holds an M.Tech (Electrical) from IIT, Kharagpur. Shri Nayak has over 37 years of work experience, primarily in the power sector. He has worked for more than 23 years in POWERGRID and handled various multi-disciplinary functions like Engineering, Load Despatch & Communication, Grid Management, Contract Management, Quality Assurance and Inspection; Telecom, Operation & Maintenance, Commercial and Human Resources. He has previously held the positions of Executive Director (Engineering & QA&I); Executive Director (Human Resource), Executive Director (R&D) in POWERGRID. Prior to joining POWERGRID in 1991, he has worked for about 7 years in NTPC and had a stint with SAIL. He has introduced many new technologies in the Indian Power Sector such as EMS & SCADA Project, ± 800 KV HVDC and 1200 KV UHV AC, Flexible AC Transmission System (FACTS), Remote & unmanned operation of EHV sub-stations. He spearheaded the development of comprehensive plan towards integration of large scale renewable generation into the grid through Green Energy Corridor Plan, which is first of its kind in the country. Recognizing the importance for deployment of smart grid technology in Indian context, he pioneered the implementation of state-of-the-art smart grid technologies in transmission as well as distribution front in a holistic way through pilot projects. Towards energy security, he initiated unique developmental plan to tap the solar energy potential in the deserts of India utilizing wasteland to cater to future energy needs in eco-friendly manner. He has also published and presented a large number of technical papers in various reputed International/ National journals/conferences. Considering his contribution to power sector, he has been awarded P.M. Ahluwalia Award; is a Senior Member of IEEE and has been honored with Fellow of the Indian National Academy of Engineering (INAE) in Electrical Engineering Field, distinguished Alumni award by NIT, Rourkela & IIT Kharagpur. He is also President of CIGRE India. He was appointed as Chairman & Managing Director in September, 2011 and is superannuating on 30th September, 2015.



Shri I. S. Jha

Director (Projects)

Shri I. S. Jha, (56 years), (DIN: 00015615) is Director (Projects) of our Company. He is an Electrical Engineer from NIT, Jamshedpur and a well known Electrical Power System Professional. Prior to his assignment he has successfully served as Executive Director (Engineering) in the company. He has also worked as Executive Director - Corporate Monitoring Group and held the position of Executive Director of North Eastern Region of the company. Apart from these functions, he was a lead Member in Planning, Engineering and Execution of APDRP and RGGVY schemes in POWERGRID. He has published numerous articles, technical papers in the field of power system in various international and National Conferences/ Symposia. He was appointed as a Director on our Board in September, 2009.



Shri R. T. Agarwal

Director (Finance)

Shri R. T. Agarwal, (59 years), (DIN: 01937329) is Director (Finance) of our Company. Prior to taking up this assignment, he was working as Executive Director (Finance). A chartered accountant by profession, Shri Agarwal has more than 34 years of experience in multifarious Finance & Accounts functions like finalization of Accounts, coordination with Auditors, Taxation, Treasury Functions, Internal Audit, Budgeting, Pay Roll, Concurrence, MIS & Commercial aspects etc. both at the Corporate Centre and at Regional Headquarters of POWERGRID. As ED (Finance), he had played a pivotal role in the successful two Follow-on Public Offers of POWERGRID in 2010 and in 2013 as ED (Finance) and as Director (Finance), respectively. Before joining POWERGRID in 1991, he had worked in power major NTPC Ltd. project sites for around 10 years. He was appointed as a Director on our Board in July, 2011.



Shri Ravi P. Singh
Director (Personnel)



Shri Ravi P. Singh (55 years), (DIN: 05240974) is Director (Personnel) of our Company. He did his Mechanical Engineering from NIT, Allahabad in First Class with Honors and Post Graduate Diploma in HR from AIMA, New Delhi. He has previously held the positions of Executive Director (Eastern Region-II) and Executive Director (Human Resource Management & Corporate Communication) in POWERGRID. Shri Singh has over 33 years of work experience in the power sector handling various multi - disciplinary functions like HR, Telecom, Contracts, Materials, Planning, Monitoring and Transmission System Construction/O&M. Prior to joining POWERGRID in 1991, Shri Singh has worked for 10 years in NTPC. He was appointed as a Director on our Board in April, 2012.



Shri R. P. Sasmal
Director (Operations)

Shri R. P. Sasmal, (57 years), (DIN: 02319702) is Director (Operations) of our Company. Prior to taking up this assignment, he was Executive Director (Operation Services) in the company. A graduate Engineer from Sambalpur University, Odisha, Shri Sasmal has more than 33 years of experience in power sector. Shri Sasmal has handled multi-disciplinary functions such as planning, monitoring and implementation of HVDC projects, EHV transmission systems and Load Despatch and Communication Systems. He was instrumental in introducing the ± 800 kV multi terminal HVDC transmission system, under implementation in the country, which is first of its kind in the world. Under his guidance, the first unmanned operation of 400 kV sub-station at Bhiwadi was implemented as a pilot project. He has been bestowed upon with "Distinguished Member of CIGRE, 2012" and has published various

technical papers on transmission systems especially on HVDC in various national and international professional forums/societies like IEEE and CIGRE. He is currently the national representative for India at CIGRE for HVDC and Power Electronics. Before joining POWERGRID in 1993, he had worked in NTPC Ltd. for around 13 years. He was appointed as a Director on our Board in August, 2012.

Dr. Pradeep Kumar
Government nominee Director



Dr. Pradeep Kumar, (about 54 years), (DIN: 05125269) an Indian Administrative Service Officer of Kerala Cadre, is B. Tech in Electronics, MBA, Master Diploma in Public Administration and Governance and Ph.D in the area of Integrated Freight Transport Planning. During his illustrious career of 28 years as IAS officer, he has held various administrative positions in the areas of Revenue, Finance, Transport, Shipping, Inland Water Transportation, Water Resources, Irrigation, Food and Civil Supplies, Consumer Affairs, Environment and Forests.



Smt. Jyoti Arora
Government nominee Director (DIN: 0035071)

Smt. Jyoti Arora (53 years) (DIN: 00353071), a first class post graduate in Economics from Punjab University, is an Indian Administrative Service officer of 1987 batch from Haryana Cadre. She is an eminent energy professional in India and is presently working as Joint Secretary in Ministry of Power, looking after Transmission, Operation & Monitoring, Reforms & Restructuring Divisions. Before joining the Ministry, she was Managing Director of electricity utilities dealing in distribution, transmission and generation, for over a decade. During her tenure as Chief of Bureau of Energy Efficiency (BEE) in India, she was closely involved in setting up technical standards for the Perform Achieve Trade (PAT) scheme and the Super Efficient Equipment Programme. She has represented the country in United Nations Framework Convention on Climate Change (UNFCCC) negotiations. She was appointed on our Board in March, 2014.

Prof. R. K. Gupta
Independent Director



Prof. R. K. Gupta, (65 years), (DIN: 06484088) is a professor of Human Behaviour & Organization Development at Management Development Institute, Gurgaon. Prior to this he was a Professor at I.I.M. Lucknow. He is also a Professional Member of the Indian Society of Applied Behavioural Science (ISABS). He has consulted with Indo-Gulf Fertilisers, Power Trading Corporation, NEEPCO and other large organizations on organization design and development. He has four books and over 100 scientific publications to his credit. He is also on the International Editorial Boards of a number of journals such as International Journal of Cross-Cultural Management (Sage, London), Journal of Research Practice (Online journal) and International Journal of Indian Culture and Business Management (Inderscience, Switzerland). He is a member of the Customer Service Committee of Bank of Baroda. He was a member of the Advisory Group on HR issues of Public Sector Banks set up by the Ministry of Finance, GoI. He is also a member of the Expert Group on Psychology set up by the Indian Council of Social Science Research (ICSSR) for the next survey of research and is on the Advisory Committee of a large research project funded by ICSSR. He is the Research Advisor to the KIIT School of Management, Bhubaneswar. In addition he is on the academic advisory bodies of a number of universities, management institutes, and is often involved in faculty selection processes, doctoral thesis examination, etc. He was appointed as a Director on our Board in January, 2013.



Dr. K. Ramalingam
Independent Director

Dr. K. Ramalingam, (66 years), (DIN: 00207932) started his career as Technical officer in DGCA in 1972 through Engineering Services, he has served more than 36 years in DGCA, National Airports Authority, Kochi International Airport Pvt. Ltd. and Airports Authority of India and retired as Chairman, AAI. He was on the Board of AAI for a period of more than 11 years and served as Member (Planning) and Chairperson. He has been on the Board of Indian Airlines, Hyderabad International Airport Ltd, Governing Council of Indira Gandhi Rastriya Udaan Academy, Airports Council International (ACI) Asia Pacific Region and governing Board member of ACI – the international body of Airports and member, executive committee, CANSO- the international body of Civil Air Navigation Service Providers. He possesses varied experience in planning, Engineering, Operations, Maintenance, Corporate Management, Project Management, Procurement and Contract Management, HR, Commercial and Finance.

He was also a member of various Committees and Inter Ministerial Groups (IMG's) setup by the GoI for development of new Green Field Airports, Airports in North East Region, Greenfield Airport policy, member- Future Aviation system (FANS) committee and Global Navigation satellites System (GNSS) panel of ICAO, etc. He was closely associated with the long term planning and implementation of Satellite based navigation system GAGAN- a joint venture project with ISRO. He was a member of various Indian delegations for attending meetings / conferences / workshop of ICAO, FAA, WARC, IATA, ACI, CANSO and presented a number of papers. He was appointed as Chairman of Maytas Infra Ltd. by the GoI in 2009 to revive the Company from Financial Crisis of Satyam. He was appointed as a Director on our Board in January, 2013.

Shri Ajay Kumar Mittal
Independent Director



Shri Ajay Kumar Mittal, (54 years), (DIN: 00322351) is a Fellow Member of Institute of Chartered Accountants of India and is in practice in Delhi. He started his career in 1986 as a Finance Manager in Govt. Financial Institution and had been a Fellow to United Nation Industrial Development Organisation (UNIDO). He has a wide experience of more than 29 years in the field of Finance, Project Appraisal, Financial Management and in all Government statutory compliances. He was appointed as a Director on our Board in January, 2013.

Shri R. Krishnamoorthy
Independent Director



Shri R. Krishnamoorthy, (70 years), (DIN: 05292993) is a Fellow Member of the Cost and Works Accountants of India. Having been in Power & Financial Sector for more than 39 years, he possesses very rich experience in Project Appraisal, Financial Appraisal, Financial Management and Regulatory Aspects. He held the positions of Member CERC, Member DERC, Chairman & Managing Director of Power Finance Corporation (PFC) and Director (Finance) of PFC. Before joining PFC he was with National Hydroelectric Power Corporation (NHPC). He was Member of a Committee constituted by Govt. of Karnataka to resolve certain issues on PPA and cost of a Private Sector Project vis-à-vis State Power Distribution Companies; was Chairman, 'Empowered Committee' set up for encouraging competition in development of transmission projects, constituted by Ministry of Power; Member, Deepak Parikh Committee of Ministry of Power on State-specific Reforms under Govt. of India's APDRP (Accelerated Power Development & Reform Program); Member, Committee on 'Financing of Power Sector' during X & XI Plan; Member, Advisory Council of the Project Management Institute, NTPC; Member, Task Force constituted by Govt. of Karnataka for steering power sector reforms in Karnataka. He is also in the Board of few Power Sector Companies in the Private Sector and Advisor to THDC. He was appointed as a Director on our Board in January, 2013.



Shri Mahesh Shah
Independent Director

Shri Mahesh Shah, (62 years), (DIN: 00405556) has successfully dealt with various companies and industrial houses in the area of Asset funding, Arranging Institutional Finance, Project Evaluation, Acquisition, Merger, Corporate Advisory Services Investment etc. as the director of Inter Corporate Financiers & Consultants Ltd.

He is the Past President of Institute of Company Secretaries of India (ICSI), Institute of Cost Accountants of India (ICAI) and was member of Accounting Standard Board of Institute of Cost Accountants of India (ICAI), Compliance Committee of International Federation of Accountant (IFAC), Executive Committee of Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA).

He has represented leading industrial and trade bodies-both on regional and national level such as CII, FICCI, ASSOCHAM etc. and he was a member of Advisory Committee, ICAI; member, technical group for the Depository System appointed by Ministry of Finance and member of review committee for reviewing MRTD Act, Companies Act, Chartered Accountants Act, Companies Secretaries Act, Cost Accountants Act appointed by Ministry of Law, Government of India.

He has also participated and represented Papers in various National and International seminars, workshops and professional development programs conducted by various Institutes, other trade, educational and professional bodies and contributed Articles in various professional Journals and Dailies. He was appointed as a Director on our Board in January, 2013.

Shri Parvez Hayat,
CVO



Shri Parvez Hayat (57 years) is the Chief Vigilance Officer of our Company. He is an IPS Officer of Jharkhand Cadre of the 1984 Batch. He is a postgraduate in Modern History and holds a Law degree from Delhi University. He has over 31 years of work experience. He worked in various capacities in both State and Central Govt. such as S.P./Sr. S. P. of five Districts of Bihar/Jharkhand; PS to the Union Minister of Home Affairs, Govt. of India, Delhi; Commandant Staff (Operations) Directorate General of ITBP, MHA, GOI, Delhi, subsequently in State of Jharkhand as DIG of Palamu Range & DIG (Crime Branch) at State Police Hqs., Ranchi. Later on central deputation as Asstt. Director General, Central Economic Intelligence Bureau, Ministry of Finance; IGP (Police Modernization & Training), Govt. of Jharkhand; picked up his next promotion as ADG (Police Modernization & Training) in the month of September, 2010. He assumed charge of office of Chief Vigilance Officer in February, 2011.

List of Senior Level Executives as on 01-July-2015

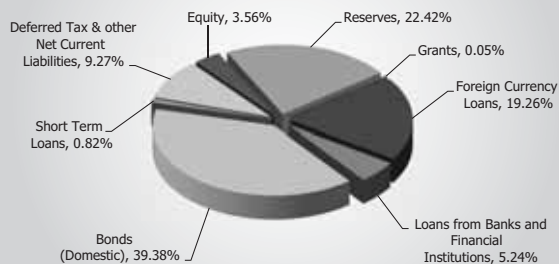
S.No	Name (S/Sh)	E.No	Desg	Level	Dept	Region	Location
1	Arun Kumar	00077	COO	E9	BDD	CC	Gurgaon
2	Ashwani Jain	00095	COO	E9	Telecom	CC	New Delhi
3	Pankaj Kumar	00105	ED	E9	ERP Cell	CC	Gurgaon
4	Y.K.Sehgal	00122	ED	E9	Commercial & Regulatory Cell	CC	Gurgaon
5	Seema Gupta	00127	COO	E9	CTU Planning & Cost Engg.	CC	Gurgaon
6	B. Mishra	00189	ED	E9	CP & IT	CC	Gurgaon
7	D.K.Valecha	10027	ED	E9	Engg-(TL,S/s,Civil) & TBCB Cell	CC	Gurgaon
8	Anil Jain	10060	ED	E9	CMG	CC	Gurgaon
9	Oommen Chandy	10872	ED	E9	Engg-HVDC ; QA&I	CC	Gurgaon
10	Jagmohan Sharma	16377	ED	E9	NTAMC	CC	Manesar
11	D.C.Joshi	40045	ED	E9	CS & MM	CC	Gurgaon
12	S. Vaithilingam	40050	ED	E9	F&A; IA	CC	Gurgaon
13	B.P. Gantayet	40080	ED	E9	DMS	CC	Gurgaon
14	Atul Trivedi	40707	ED	E9	ESMD,CSR & LAC	CC	Gurgaon
15	Prabhakar Singh	20003	ED	E9	Head of Region	NR-I	New Delhi
16	S.K. Sharma	16257	ED	E9	Head of Region	NR-II	Jammu
17	Devendra Kumar	10765	ED	E9	Head of Region	ER-I	Patna
18	Bharat Bhushan	20006	ED	E9	Head of Region	ER-II	Kolkata
19	R.K.Singh	11044	ED	E9	Head of Region	NER	Shillong
20	V. Sekhar	20107	ED	E9	Head of Region	SR-I ; SR-II	Secunderabad ; Bengaluru
21	S.K. Gupta	10034	ED	E9	Head of Region	WR-I	Nagpur
22	D.K. Singh	40065	ED	E9	Head of Region	WR-II	Vadodara
23	A.K. Sinha	40062	ED	E9	Chhattisgarh Projects	WR-I	Raipur
24	S Sen	10871	ED	E9	Odisha Projects	ER-II	Bhubaneswar
25	Bhoj Paul	10947	ED	E9	North Eastern-Northern/Western Interconnector-I Project	NER	Guwahati
26	R.K.Chauhan	10951	ED	E9	Western/Northern Interconnector Project	NR-II	Kurukshetra
POSOCO							
1	S.K. Soonee	45003	CEO	E9	I/c POSOCO	POSOCO- HQ	New Delhi
2	V K Agarwal	17003	ED	E9	Head of NLDC	NLDC	New Delhi
3	K.V.S.Baba	00126	GM	E8	Head of RLDC	NRLDC	New Delhi
4	U.K. Verma	16373	GM	E8	Head of RLDC	ERLDC	Kolkata
5	T.S. Singh	50022	GM	E8	Head of RLDC	NERLDC	Shillong
6	P.R. Raghuram	30025	ED	E9	Head of RLDC	SRLDC	Bengaluru
7	P Mukhopadhyay	45007	GM	E8	Head of RLDC	WRLDC	Mumbai
On Deputation to other organisation(s)							
1	M.Krishna Kumar	00129	ED	E9	On Dep-NETC Ltd		Gurgaon
2	J.P. Singh	00195	ED	E9	On Dep-TPTL		Gurgaon
3	Sanjeev Singh	10040	ED	E9	On Dep-Delhi Transco Ltd		New Delhi
4	D K Sarma	50005	ED	E9	On Dep-Bihar Grid Co. Ltd		Patna



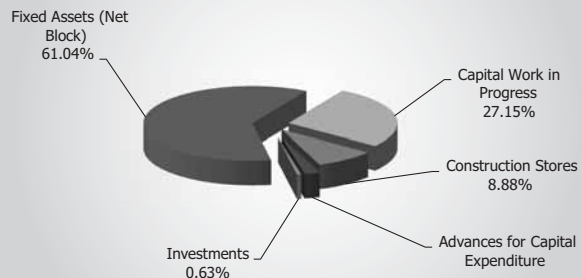
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POWERGRID'S PERFORMANCE

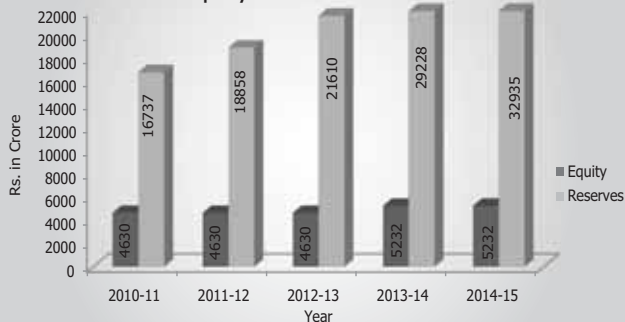
Sources of Funds (%) 2014-15



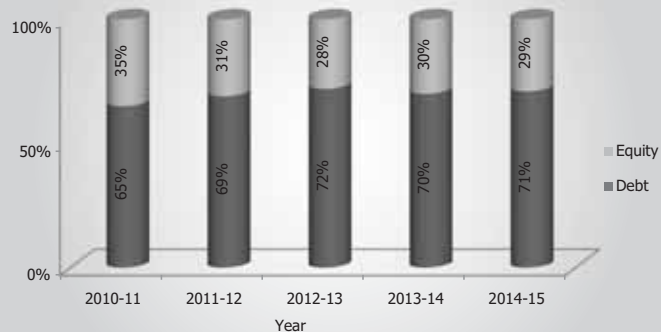
Application of Funds (%) - 2014-15



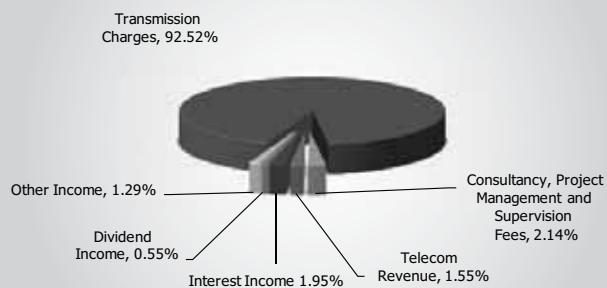
Equity and Reserves



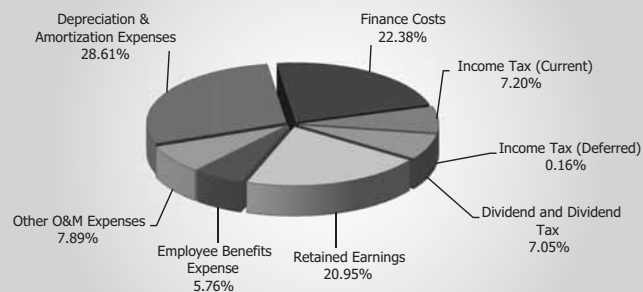
Debt Equity Ratio (%)



Income Break-up (%) - 2014 - 15



Distribution of Revenue (%) - 2014-15



FIVE YEARS' SUMMARY

OPERATING RESULTS

₹ in crore

	2014-15	2013-14	2012-13	2011-12	2010-11
(A) EARNED FROM :					
Transmission Charges	16450.86	14250.05	12162.66	9544.19	7902.15
Consultancy Revenue					
Sales of Services	380.60	332.48	228.96	289.95	299.35
Sales of Products	-	294.07	86.44	-	-
Telecom Revenue	274.89	276.14	231.39	201.19	187.20
Other Operative Revenue	70.88	77.54	48.40	128.94	118.68
Other Income	602.81	491.13	570.89	620.74	591.37
Total Earnings	17780.04	15721.41	13328.74	10785.01	9098.75
(B) PAID & PROVIDED FOR :					
Purchases of stock-in-trade	-	219.40	63.50	-	-
Employees Remuneration & Benefits	1023.65	941.68	886.40	842.97	745.89
Transmission Expenses	605.15	456.24	367.65	328.38	270.38
Administration Expenses	705.80	629.54	494.56	476.21	415.59
Other Expenses(Including Prior Period Adj.)	47.38	25.25	(18.12)	19.96	11.49
Deferred Revenue Expenditure	-	-	-	1.79	1.86
Provisions	43.95	22.35	2.75	2.30	3.98
Total Expenditure (Excluding Depreciation & Interest)	2425.93	2294.46	1796.74	1671.61	1449.19
Profit before Depreciation & Interest	15354.11	13426.95	11532.00	9113.40	7649.56
Depreciation	5085.41	3995.68	3351.92	2572.54	2199.39
Interest & Finance Charges	3979.32	3167.52	2535.22	1943.26	1625.44
Net Profit after Interest & Depreciation but before Tax	6289.38	6263.75	5644.86	4597.60	3824.73
Provision for tax (MAT)	1280.99	1274.13	1052.08	888.51	684.61
Net Profit after MAT & FBT	5008.39	4989.62	4592.78	3709.09	3140.12
Deferred Tax	29.22	492.20	358.28	454.14	443.23
Profit after Deferred Tax	4979.17	4497.42	4234.50	3254.95	2696.89
Dividend	1046.32	1349.76	1273.18	976.89	810.23



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FINANCIAL POSITION

₹ in crore

(A) WHAT THE COMPANY OWNED:

	2014-15	2013-14	2012-13	2011-12	2010-11
Gross Fixed Assets	118264.26	96503.66	80600.05	63387.34	50343.35
Less: Depreciation	28578.05	23349.59	19199.41	15725.04	13119.37
Net Fixed Assets	89686.21	73154.07	61400.64	47662.30	37223.98
Capital Work in Progress	39882.19	31851.41	19114.92	15573.50	12963.68
Construction Stores	13041.96	17625.30	15708.62	12610.04	10749.25
Advances for Capital Expenditure	3367.44	3853.61	5328.98	5091.23	2911.66
Long term Investments	740.99	814.33	964.24	1101.19	1214.01
Other Non-current Loans & Advances	3651.99	3221.35	2517.07	1840.20	1032.64
Current Assets, Loans & Advances	7930.10	9069.00	6099.09	6329.89	9623.94
TOTAL (A)	158300.88	139589.07	111133.56	90208.35	75719.16

(B) WHAT THE COMPANY OWED:

Long Term Loans:

- From Banks & Financial Institutions	7600.22	5101.94	1705.31	1323.51	500.81
- Foreign Currency Loans	26713.66	24721.62	21031.17	14352.17	11428.92
- Domestic Bonds	55061.96	46966.66	40339.79	33443.51	25286.11
Total Long-term Loans	89375.84	76790.22	63076.27	49119.19	37215.84
Current maturities of Long Term Loans	4468.71	3679.63	3111.60	2632.72	2216.93
Working Capital Loan (short-term)	1200.00	2700.00	2000.00	1650.00	1450.00
Current Liabilities & Provisions	16176.57	13137.50	9596.90	7088.29	6846.01
Deferred Tax Liability(Net)	2472.15	2442.96	1959.16	1600.88	1146.74
Deferred Revenue-Advance against Depreciation	1938.57	2018.07	2094.96	2143.78	2176.07
Deferred Revenue-DRCFI/E Account	2751.22	2404.32	1505.61	493.17	(11.59)
Grants in Aid	73.12	95.07	117.03	139.32	171.31
Long-term Provisions	580.23	524.37	442.63	421.49	316.64
Other Long-term Liabilities	1097.88	1337.30	989.93	1431.73	2826.62
TOTAL (B)	120134.29	105129.44	84894.09	66720.57	54354.57

(C) NET WORTH OF THE COMPANY REPRESENTED BY :

Share Capital	5231.59	5231.59	4629.73	4629.73	4629.73
Reserves and Surplus	32805.48	29181.30	21583.68	18858.05	16724.05
Less: Misc. Exp. to the extent not written off	-	-	-	-	2.41
TOTAL (C)	38037.07	34412.89	26213.41	23487.78	21351.37

(D) COMMITTED RESERVES

CSR Activities Reserve	129.52	46.74	26.06	-	13.22
TOTAL (D)	129.52	46.74	26.06	-	13.22
TOTAL (B+C+D)	158300.88	139589.07	111133.56	90208.35	75719.16

CAPITAL EMPLOYED

(Net Fixed Assets+Net Current Assets)	75771.03	62705.94	52791.23	42621.18	36334.98
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(E) RATIOS

Net Profit to Capital Employed(%)	6.57	7.17	8.02	7.64	7.42
Net Profit to Net Worth(%)	13.09	13.07	16.15	13.86	12.63
Net Worth per Rupee of Paid-up Capital (in ₹)	7.27	6.58	5.66	5.07	4.61
Debt/Equity Ratio (#)	71:29	70:30	72:28	69:31	65:35
Current Ratio	0.36:1	0.46:1	0.41:1	0.56:1	0.92:1
Earning per Share (Diluted EPS) (₹per Share)	9.52	9.36	9.15	7.03	6.19
Book Value per share(₹per share)	72.71	65.78	56.62	50.73	46.12
Capital Expenditure	22456	23158	20037	17814	12005

(F) OTHER IMPORTANT INFORMATION

Length of Transmission Lines (CKT)	115637	106804	100200	92981	82335
No. of Substations	192	184	167	150	135
No. of Employees (\$)	8556	8694	8909	9221	9330
Transmission Network availability (%)	99.87%	99.92%	99.90%	99.94%	99.80%

(#) For calculation of Debt-Equity Ratio, Loan liability also include Current Maturities of Long Term Loans.

(\$) Excluding employees posted in POSOCO on secondment basis.

POWER GRID CORPORATION OF INDIA LIMITED

Directors' Report

To,

Dear Shareholders,

Ladies & Gentlemen,

I am delighted to present on behalf of the Board of Directors, the 26th Annual Report on the performance of your Company during the financial year ending March 31, 2015 together with Audited Financial Statement, Auditors' Report and Review of the Accounts by the Comptroller and Auditor General of India for the review period.

Financial year 2014-15 marked the completion of 25 glorious years of your Company. In this '**Silver Jubilee**' year, it maintained its growth momentum and saw a number of splendid achievements on all fronts.

In the area of project execution, your Company recorded a capitalization of ₹ 21,760 Crore, which is the highest ever in a single financial year of its history. The Company's meritorious performance and continuous thrust on commissioning of transmission assets has resulted in higher revenue & earnings, thereby added value for its stakeholders. The successful addition of transmission assets has facilitated seamless power transfer in the Country. A strong and highly integrated inter-State transmission system has enabled development of the vibrant power market and provided momentum to growth of the power sector.

Your Company commenced implementation of Green Energy Corridors across the Country, giving boost to renewable generation by facilitating its integration with the National Grid, displaying the Company's efforts towards realization of sustainable and inclusive growth. In the area of operational excellence, '**National Transmission Asset Management Centre (NTAMC)**' and '**Enterprise Resource Planning (ERP)**' have been operationalized. These state-of-the-art technological advances have enabled increased transparency & efficiency in asset management and facilitated remote visibility & operation of POWERGRID's transmission system established across the Country.

Your Company has been given 'Navratna' status by Govt. of India and it continued to display "Excellent" performance by exceeding most of the targets under the 'Memorandum of Understanding (MoU) signed with Ministry of Power (MoP), Government of India for FY 2014-15'. Based on its performance against the MoU targets, the Company is poised to be rated 'Excellent' for the year 2014-15, thereby maintaining the record of the getting 'Excellent' rating year after year over two decades since signing of its first MoU.

Major achievements by your Company on various fronts are mentioned below:

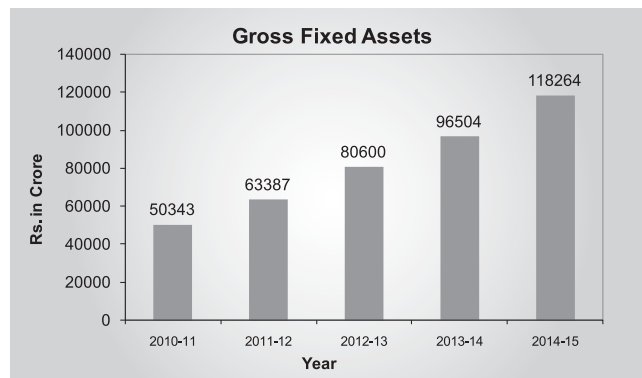
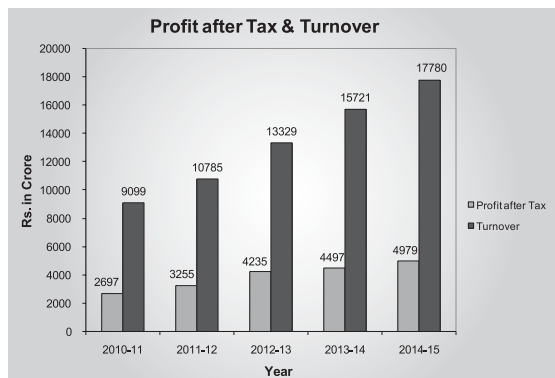
- ❖ Capital investment of ₹ 22,456 Crore
- ❖ Assets capitalization of about ₹ 21,760 Crore.
- ❖ Commissioned new transmission assets comprising about 8,830 circuit kilometre (ckm) of Extra High Voltage (EHV) transmission lines, 8 new sub-stations and 25,786 Mega Volt Ampere (MVA) transformation capacity.
- ❖ Investment approval accorded for 33 new transmission projects worth more than ₹ 25,500 Crore.
- ❖ Maintained transmission system availability at 99.87% with number of trippings per line limited at 0.53 for the year.
- ❖ During the year, a number of large projects were commissioned including important elements, viz. 765 kV D/C Wardha-Aurangabad lines 1 & 2, 765 kV D/C Raipur-Wardha & 765kV Champa-Raipur lines for evacuation of power from IPP Projects in Chhattisgarh, 765 kV D/C Nellore-Kurnool, 765kV D/C Kurnool-Thiruvallur for Southern Region Grid Strengthening, 765kV 2xS/C Angul-Jharsuguda 765kV D/C Jharsuguda- Dharamjaygarh and 765kV S/C Satna-Gwalior-II lines.
- ❖ During the year, inter-regional power transfer capacity of 4,200 MW has been added by the Company. The cumulative inter-regional power transfer capacity of the National Grid stood at about 46,450 MW at the end of March, 2015.

FINANCIAL PERFORMANCE

(Figures in ₹ Crore, except per share data)

Description	2014-15	2013-14	Y-o-Y Growth
Revenue			
Transmission Charges	16,521	14,327	15.3%
Consultancy-Sale of Services	381	333	14.4%
Consultancy-Sale of Products	0	294	-
Telecom	275	276	-0.4%
Other Income	603	491	22.8%
Total Income	17,780	15,721	13.1%
EBIDTA	15,354	13,427	14.4%
Profit After Tax (PAT)	4,979	4,497	10.7%
Earnings per Share (₹)	9.52	9.36	1.7%
Book Value per Share (₹)	72.71	65.78	10.5%
Gross Fixed Assets	118,264	96,504	22.5%
Long term borrowing*	93,845	80,470	16.6%
Net Worth	38,037	34,413	10.5%
Debt Equity Ratio	71:29	70:30	-

* including current maturities of long term borrowings



OPERATIONAL EXCELLENCE

Asset Management

As on April 1, 2015, the transmission assets owned and operated by your Company stand **115,637 ckm. of Extra High Voltage (EHV) transmission lines and 192 nos. EHVAC & High Voltage Direct Current (HVDC) sub-stations with 231,709 MVA transformation capacity.**

Managing such widely spread assets across the Country has been an extraordinary task involving meticulous planning and observing stringent procedures. Maintenance activities are planned well in advance and an "Annual Maintenance Plan" is chalked out for every asset through live line or shutdown maintenance, as per technical feasibility. In the event of tower damage due to natural calamities or otherwise, Emergency Restoration System (ERS) is being used for restoration of damaged transmission towers in shortest possible time. Further, POWERGRID has taken initiative for development of mobile sub-station (truck mounted) for emergency restoration in case of eventuality.

In spite of the challenging conditions, during the FY 2014-15, your Company maintained availability of the transmission network at 99.87% which is comparable to international standards. The number of tripping per line (unplanned) stood at 0.53 for the year, indicating high reliability of POWERGRID transmission system. This performance could be maintained through training, deployment of advanced techniques including use of helicopters for live line aerial patrolling, hot line maintenance upto 765 kV voltage level, equipment conditioning monitoring including dynamic testing, thermo-vision scanning, frequency response analysis of the transformers and reactor's etc.

With rapid increase in asset base of your Company, urgent need was felt to provide expert handling to the equipment spread all across the Country. In view of this, National Transmission Asset Management Centre (NTAMC) has been established for remote operation and monitoring of the substations, which is manned by experts on 24X7 basis to provide expert handling to system & equipment. The project constitutes of three distinct areas such as SCADA (Supervisory Control and Data Acquisition System), for gathering of electrical data & control of the switchgear of sub-station, RAS (Remote Accessibility System) and VMS (Video Monitoring System) which can be remotely controlled from the NTAMC and which is used to keep a close watch on the substation switch yard & its premises.

At the end of FY 2014-15, 75 substations are being operated through remote operation including 44 substations without operating staff. MSH (Maintenance Service Hub) facility has been established where specialised group of experts of all areas like control & protection, switchyard equipment, transformer & reactor are available to carry out repair/overhauling of equipment as & when required.

International Benchmarking of POWERGRID O&M practices

In order to improve further, POWERGRID O&M practices are regularly being benchmarked internationally through "International Transmission Operation and Maintenance Study" (ITOMS) carried out by UMS, USA. In ITOMS studies/ benchmarking, about 28 large Power Transmission Utilities across the Globe participate and their performances are evaluated and benchmarked. POWERGRID carried out benchmarking of all its 9 Regions with each other and with other member Utilities of ITOMS to identify areas of improvement. As per ITOMS benchmarking, your Company has been maintaining high performance in its sub-stations & transmission lines operations.

Disaster Management

Being a sound customer centric organisation, your Company has been contributing in restoration of power in areas hit by natural calamities in the Country. This was evident when the State of Jammu & Kashmir (J&K) saw the devastating flood in its history of last 60 years, disrupting the electricity supply in most of the areas of the State. For quick restoration of power in the State, your Company took charge as Nodal Agency to assist J&K Power Department by taking immediate measures such as deployment of manpower, tools & tackles for restoration of flood affected distribution system, diversion of the material to J&K from far-flung States, deployment of Emergency Restoration System (ERS), quick procurement of Distribution Transformers, etc.

Yet again, when unseasonal torrential rainfall caused flood like situation in the State of J&K, landslides were reported at various places and tower collapse was reported in 132 kV Salal-Jammu transmission line. Immediate dispatch of ERS was arranged and erection carried out in a very short time.

Similarly in Andhra Pradesh in October, 2014, after cyclone 'HUDHUD', support was provided to restore power in the affected areas of three (3) districts, namely Vishakhapatnam, Srikakulam & Vijayanagaram. Wide-spread damage in these three districts had taken place on account of

tripping of lines connecting to the area from Khammam, Vijayawada, Vemagiri, in AP and 400kV in feed from Jeypore (Odisha). Approximately, 1000MW load had crashed due to failure of downstream sub-transmission & distribution network of AP Transco & Discoms in above three districts. Besides, towers collapse was reported in a number of 400KV & 220KV transmission lines in the area and number of bay equipment at 400kV Gazuwaka (POWERGRID), Simhadri (NTPC) & Kalpaka (APTRANSCO) were also damaged. A team comprising senior officials was sent to site immediately to restore the damaged system. Restoration of distribution system was also carried out.

Your Company's actions have been lauded by everyone including media and Government, which has further boosted the determination to be ready to face such calamities.

PROJECT IMPLEMENTATION

Your Company has been putting continuous thrust on commissioning of its transmission projects to extract maximum commercial benefits through its Integrated Project Management and Control System (IPMCS).

On project implementation front, your Company has commissioned about 8,830 ckm of EHV (Extra High Voltage) transmission lines and 25,786 MVA transformation capacity with 8 new sub-stations during the year, which includes a number of large projects, including important elements such as 765 kV D/C Wardha-Aurangabad lines 1 & 2, 765 kV D/C Raipur-Wardha & 765kV Champa-Raipur lines for evacuation of power from IPP Projects in Chhattisgarh, 765 kV D/C Nellore-Kurnool, 765kV D/C Kurnool-Thiruvallam for Southern Region Grid Strengthening, 765kV S/C Satna-Gwalior-II & 765kV 2xS/C Angul-Jharsuguda transmission lines. Also, through commissioning of 765kV D/C Jharsuguda- Dharamjaygarh line, 4,200 MW inter-regional power transfer capacity has been added by your Company.

Also, your company has provided active support in the completion of critical 765kV Raichur-Solapur circuit-2 transmission line, which was being implemented through Private Sector participation.

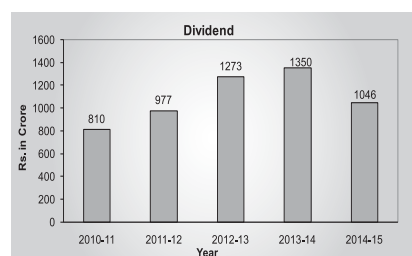
FINANCIAL MANAGEMENT

In the FY 2014-15, your Company continued to show exceptional performance in all its business areas, enhancing the value for the shareholders. Your Company has achieved turnover of ₹ 17,780 Crore and Profit after Tax (PAT) of ₹ 4,979 Crore as compared to ₹ 15,721 Crore and ₹ 4,497 Crore respectively during FY 2013-14 on standalone basis.

On consolidated basis, PAT crossed the ₹ 5000 crore mark, registering at ₹ 5046 crore in FY 2014-15. The turnover on consolidated basis increased to ₹ 18233 crore from ₹ 16146 crore in FY 2013-14.

Capital Investment and Fund Mobilization

In line with its increased target of ₹ 1,10,000 Crore from ₹ 1,00,000 crore capital expenditure target for the XII Plan, Capital investment (CAPEX) of ₹ 22,456 Crore has been made during the year 2014-15 and cumulatively ₹ 65,651 Crore CAPEX has been achieved. For the CAPEX of FY 2014-15, ₹ 13,014 Crore were mobilised through private placement of bonds & term loan, ₹ 3,070 Crore were mobilised through External Commercial Borrowings (ECB)/Supplier credit and balance ₹6372 crore was met through internal resources generated & FPO proceeds.



Dividend Payout

For FY 2014-15, your Company has proposed a final dividend of ₹ 1.31 per share in addition to ₹ 0.69 per share of interim dividend paid in March, 2015. The final dividend shall be paid after your approval at the Annual General Meeting. Thus, the total dividend payout for the year amounts to ₹ 1,046 Crore (including an interim dividend of ₹ 361 Crore).

Particulars of loans, Guarantees or investments.

Loans, Guarantees or investments under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual report.

Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties referred to in Section 188 (1) of the Companies Act, 2013, in the prescribed Form AOC-2, are given as Annexure X of the Directors' Report. Further, attention of the members is drawn on Note No. 2.47 of the Financial Statement which sets out related party disclosure.

Transfer to Reserves

Your company has proposed to transfer ₹ 2400.00 crore to the general reserve and an amount ₹ 1763.00 crore to other reserves.

Statement containing salient features of financial statements of subsidiaries, associate and Joint Ventures Companies

Statement containing salient features of financial statements of subsidiaries, associate and Joint Ventures Companies as required under Section 129 (3) of the Companies Act, 2013, in the prescribed Form AOC-1, is given as Annexure XI to the Director's Report.

Consolidated Financial Statement

As per the requirements of the Companies Act, 2013, the Audited Consolidated Financial Statement is provided in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

As required u/s 134 (3)(c) & 134 (5) of the Companies Act, 2013, your Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the Company for that period;



- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the Annual Accounts on a going concern basis; and
- (e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

COMMERCIAL PERFORMANCE

As per Central Electrical Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010, your Company as the Central Transmission Utility (CTU) of the Country, has been entrusted the responsibility for billing, collection & disbursement of transmission charges bills on behalf of all Inter-State Transmission System (ISTS) Licensees. In this regard, bills on transmission charges are prepared, raised and uploaded on the website portal for Designated ISTS Customers (DICs), including the payment details by the customers.

Your Company is fulfilling the assigned responsibilities effectively and displayed excellent collection efficiency of 97%.

PERFORMANCE AGAINST COMPETITION

Your Company is able to do well in spite of stiff competition and displayed impressive performance under Tariff Based Competitive Bidding (TBCB). During the year FY 2014-15, your Company won three out of four projects put up for bidding under the TBCB route, namely Transmission System Strengthening associated with Vindhyachal-V, Transmission System associated with Gadarwara STPS (2X800 MW) of NTPC Part-A and Transmission System associated with Gadarwara STPS (2X800 MW) of NTPC Part-B. As on 31.3.2015, your Company has won total eight (8) projects through TBCB since its participation.

DEVELOPMENT OF NATIONAL GRID

A strong National Grid enables seamless power flow across the regions and optimum utilization of resources across the Country. Working in this direction, your Company successfully achieved 'One Nation-One Grid-One Frequency' in the year 2013-14. During the year under consideration, the Company commissioned 765kV D/c Jharsuguda-Dharamjaygarh transmission line, increasing the power transfer capacity between Eastern Region and Western Region by 4,200MW. As a result, the total inter-regional power transfer capacity of the National Grid stands at 46,450 MW as on March 31, 2015. Also to increase the inter-regional power transfer capacity of the National Grid, your Company is executing a number of projects, some of which include high capacity HVDC links. By the end of XII Five Year Plan, it is expected that the inter-regional power transfer capacity of the National Grid will be about 72,250 MW.

GRID MANAGEMENT AND OPEN ACCESS

Power System Operation Corporation Limited (POSOCO), a fully owned subsidiary of your Company, has been managing the national grid successfully. POSOCO, through National Load Despatch Centre (NLDC) and Regional Load Despatch Centres (RLDCs) has been facilitating transfer of power through bilateral and multi-lateral transactions and is playing important role for creating vibrant electricity market in the Country. POSOCO has been designated as the nodal agency for Renewable Energy Certificate (REC) Mechanism, transmission pricing, Short Term Open Access (STOA) in transmission, Deviation Settlement Mechanism, Power System Development Fund (PSDF) management, etc.

During FY 2014-15, to meet the demands in the Country, about **84.36 Billion Units (BUs)** of inter-regional energy transfer was facilitated, across the nation using pan-India inter-regional transmission links.

Under Short Term Open Access (STOA), 12,106 nos. of bilateral transactions and 25,942 nos. of collective transaction were approved, allowing energy transfer of 52.55 BUs through bilateral transactions and 28.38 BUs through collective transactions, totaling up to 38,048 approved transactions and 80.93 BUs of approved energy in the FY 2014-15.

Further, your Company, as Central Transmission Utility (CTU), is the nodal agency for processing & grant of Connectivity, Long Term Access (LTA) and Medium Term Open Access (MTOA) to various applicants. Out of 209 Connectivity applications for about 2,10,000 MW capacity received, Connectivity was granted to 90 numbers. of eligible applications of 77,600 MW capacity. As on March 31, 2015, the Company granted LTA to 201 applications of 152,000 MW capacity. Also based on the transmission margins availability, the MTOA was granted to 76 numbers. of applications of 5,100 MW capacity.

QUALITY MANAGEMENT

With the present state of economy & financial issues, the manufacturers are facing tough competition from indigenous as well as international manufacturers. To ensure quality while procuring goods at competitive prices, various quality assurance improvement measures have been initiated and implemented to get better quality products. Process/surveillance audits were carried out to create win-win partnership with suppliers and to get better quality products at low costs.

With vast geographical spread of work & large number of high capacity transmission lines and sub-stations with state-of-Art technology under implementation, capacity building is one of the major challenges. In this direction, your Company has established its 'POWERGRID Academy of Leadership' at Manesar for capacity building of its staff as well as for power sector-domestic & international. Further, to have self-reliance of indigenous development of High technology / critical products, your Company has mandated its international suppliers to set up manufacturing facilities in India in the field of 765kV Transformer/Reactors, 800kV HVDC equipment, GIS & major equipment, etc.

Your Company continues to do process audits in the manufacturing units of various vendors, sub-vendors & even further below in supply chain to achieve the target of zero product inspection. Activities like calibration of key testing instruments & their validation were undertaken on topmost priority so as to improve quality systems at the manufacturer's works. Quality audits at sites were also undertaken during the year for instant feedback and to take appropriate corrective action apart from web based feedback system.

In order to ensure quality of product with required technical specifications and to meet project completion target, a number of activities have been undertaken by your Company like defining proper processes for quality manufacturing, quick approval of quality plan of various items and smart inspection of materials. For on time issue of CIP (Customer Inspection Points) /MICC (Material Inspection Clearance Certificate), testing and manufacturing of various critical items, continuous follow up with manufacturers were undertaken.

Another milestone was achieved during the year when two of the Regional Offices of POWERGRID, i.e. Nagpur (Western Region-I) & Shillong (North-East Region) were awarded certification for their Energy Management Systems under ISO 50001.

Your Company developed and maintained systems and procedures aligned with integrated management system comprising ISO 9001: 2008 for Quality Management System, ISO 14001: 2004 for Environmental Management System and OHSAS 18001: 2007 for Occupational Health and Safety Management System. The certification has been maintained upon rigorous audits by BSI Management Systems.

TECHNOLOGY DEVELOPMENT

Your company gives priority to research and development activities with potential for environmental, social and national interests by incorporating advanced technology solutions in the field of power system. In this direction, your company is setting up State-of-the-Art research and testing laboratories POWERGRID Advanced Research and Technology Centre at Manesar in the field of transmission, renewable integration, power system simulation, material science, advanced equipment diagnostics, smart grid, energy efficiency, control and automation, engineering design etc. This R&D centre shall cater to the research needs of POWERGRID and the country as a whole as well as capacity building of various stakeholders in this field.

The focus areas in development of transmission system across the country and trans-country as well are conserving the Right of Way (RoW), minimizing impact on natural resources, indigenization of technology and maintaining high network availability. To address these aspects, your company has developed new type of tower design including multi circuit type, digital substation through process bus architecture, air core reactor suitable for HVDC terminal etc.

Further, your Company as a part of its technology development process is carrying out a demonstration project on **High Temperature Superconductor (HTS) cable system** at 220kV voltage level. Being a technology in its development and demonstration stage worldwide, which is known for bulk power transmission with negligible losses on reduced right-of-way, the first-hand experience gained from this R&D project will boost your company's thrust towards adoption of cutting edge technologies for safe, secure and reliable operation of grid. The operational experience and maintenance know-how gained from the project will pave way for future deployment of this state-of-the art technology in Indian grid.

Your company is considering a pilot project on **Fault Current Limiter**. The search for a solution to address the issue of rising fault current levels in Indian grid and at the same time which doesn't affect the reliable operation of the grid leads your company to advanced fault current limiters. These Fault Current Limiters offer a promising solution to tackle the rising fault levels with its unique features in comparison to conventional methods for fault current limitation viz. bus splitting, series reactors etc.

Towards maintaining high network availability by maintaining proper insulation level of EHV transmission line, pollution measurements on pan India basis is being carried out to create base line pollution mapping data facilitating review of EHV lines insulation requirement which is first of its kind in the country.

SMART GRID TECHNOLOGY

Your company has pioneered for development of Smart Grid leading towards Smart City in the country for bringing efficiency encompassing entire power supply value chain.

Your company is implementing one of the world's largest Wide Area Measurement System(WAMS) through deployment of State-of-the-Art Phasor Measurement Units(PMU) as part of Smart transmission. It covers deployment of PMUs at all 400kV and above substations at State and Central level as well as generation switchyards of 220kV & above across the country as part of Unified Real Time Dynamic State Measurement(URTDMS) scheme. Real time measured system information using fibre optic communication network are to be integrated at State Load Despatch Centres(SLDC), Regional Load Despatch Centres (RLDC) and National Load Despatch Centre(NLDC) for improved visualization and enhanced situational awareness of system operators and planners. Analytics using above data are being developed in association with IIT, Bombay to enhance the efficiency & security of the overall grid management.

Towards smart distribution, after demonstration of various Smart Grid attributes at Puducherry in a comprehensive manner through open collaboration, your company is also extending services for implementation of Smart Grid projects in various states like Himachal Pradesh, Punjab, West Bengal, Tripura, Chhattisgarh, Rajasthan, Haryana, Karnataka and Puducherry. Your company has also submitted project report to Govt. of Haryana on development of smart grid leading towards smart city Gurgaon to provide 24x7 quality power including catering growing demand and make Gurgaon Diesel generator set free city.



Towards facilitating increasing penetration of renewables in the overall generation capacity portfolio, your company has pioneered in implementation of battery energy storage systems of about 1 MW capacity as pilot project in Puducherry to evaluate different battery and its control technologies for proof of concept, areas of application, policy advocacy etc. in Indian context for large scale deployment.

Quality of power is one of the major concerns now in India for performance improvement of process and maintaining health of electrical network equipment. Recognizing its importance, your company has taken initiative to measure various power quality parameters at different cities on pan India at all voltage level to create base line data repository for identification of mitigating measures and application of technological solutions. Already measurements at more than 150 cities/towns completed across the country.

Your company is indigenously developing/developed smart products like smart meter, data concentrator unit, home energy management system, micro grid controller, active power filter etc. for varied applications and applied for patent.

To bring awareness about Smart Grid technologies and its demonstration in a holistic manner, your company is establishing a Smart Grid Knowledge Center equipped with working model of various technologies at POWERGRID Advance Research and Technology Centre (PART) at Manesar. This shall facilitate dissemination of knowledge on smart grid technologies in a learning environment as well as capacity building of utility/consumer and other stakeholders.

Your company also operates Secretariat of the prestigious "India Smart Grid Task Force(ISGTF)" of Ministry of Power, Govt. of India for activities related to Smart Grid.

GRID INTEGRATION OF RENEWABLE ENERGY SOURCES

Integration of Renewable Energy(RE) sources into the grid is one of the top priority of Govt. of India towards energy security and environmental sustainability. In this direction, your company has evolved Green Energy Corridors comprising intra state and inter state transmission infrastructure to facilitate integration of envisaged renewable capacity addition of about 33 GW in 12th plan in RE resource rich states at an estimated cost of about ₹ 38,000 cr. Inter State Transmission System(ISTS) as part of Green Energy Corridors is being implemented by your company. Further, your company has also evolved transmission schemes for integration of proposed ultra mega solar power parks of about 22,000MW in various states as part of Green Energy Corridors-II. Govt. of India also assigned your company to develop Inter State transmission system for nine(9) solar parks of capacity about 10,000 MW in seven(7) states. Implementation of transmission scheme for one(1) solar park in Andhra Pradesh is under progress.

ENERGY EFFICIENCY

Energy conservation through energy efficiency measures plays an important role to address energy saving aspect towards sustainability. Your company initiated activities in identification of energy saving opportunities through carrying out energy audits of various industries including Integrated Steel Plant at Bokaro & Bhilai, SAIL, institutions and other commercial establishments. Your company has more than 70 Bureau of Energy Efficiency (BEE) certified Energy Auditors/Managers. So far through energy audits, energy saving potential equivalent to 4750 MU with avoidable generation of about 900MW has been identified besides reduction in CO2 emission. Towards demand side management, your company replaced 1337 old agricultural pumps with energy efficient pumps in Mandya district, Karnataka resulted into energy saving more than 35% with about 3MW load reduction.

Your company is also a BEE Grade-I Energy Service Company (ESCO) to implement energy efficiency solutions. In-house designed Waste heat recovery systems for steel re-rolling mills and implemented at various industries.

Your Company has released a study report "Negawatt Makes-a-Watt" i.e, Energy efficiency opportunities in India covering eighteen(18) energy intensive sectors in the country. Savings more than 20% in electrical energy, 12% in Coal and 7% in oil can be achieved per annum at an investment of ₹12 lakh crore over a period of 5 years.

'POWERTEL' - TELECOM SERVICES ON TRANSMISSION INFRASTRUCTURE

Your Company is leveraging its Country wide transmission infrastructure with its diversified business portfolio of Telecom under the brand name 'POWERTEL'. During the FY 2014-15, total network coverage has been increased by 12% to 33,241 kms from the earlier reach of 29,641 kms. Number of Points of Presence (PoPs) locations have been increased to 352 from the earlier coverage of 317 PoPs and 44 new customers were added, resulting in increase in total customer base to 187 numbers and a growth of 25% over previous year.

Telecom Backbone Availability for the year 2014-15 was 99.97% better than in the previous year. Total Revenue (including revenue from internal sources) from Telecom Business for FY 2014-15 was ₹ 300.95 Crore as against ₹ 288.21 Crore in the previous year.

Your Company has signed an agreement with Bharat Sanchar Nigam Limited (BSNL) to improve the telecommunication connectivity with the North-Eastern States including Sikkim. It envisages the provisioning of bandwidth on optical fibre media laid over existing high tension electric transmission network of your Company. After completion of the proposed connectivity, the reliability of the telecom services shall improve substantially in North-Eastern region including Sikkim. Your Company has successfully completed the prestigious NKN (National Knowledge Network) project assigned by Govt. of India, which connects all knowledge centres across the Country such as Indian Institutes of Technology (IITs), Indian Institute of Sciences (IISCs) etc., on a high speed connectivity.

National Optical Fibre Network (NOFN)

As a part of Government of India plan to connect 250,000 Gram Panchayats (GP) in the Country by utilizing existing fibres of PSUs (BSNL, Railtel and POWERGRID) and laying incremental fibre to connect to Gram Panchayats wherever necessary, Your Company has been allotted work for development & maintenance of NOFN network in States viz. Telangana, Himachal Pradesh, Jharkhand & Odisha by Bharat Broadband Network Ltd (BBNL). Survey work has been completed in all states. Awards have been placed progressively for supply of duct & accessories and trenching & laying work. 977 nos of Gram Panchayats have been connected with fibre till 31st March 2015.

BUSINESS DEVELOPMENT & CONSULTANCY

Your Company, one among the largest power transmission utility in the world, has developed the expertise in its core areas such as power transmission, sub-transmission, load dispatch and communications (LD&C) etc.

Leveraging its capacity and experience, Consulting services have been provided to a number of customers in India and worldwide. During FY 2014-15, forty (40) Consultancy assignments were secured. During the fiscal 2015, the Company achieved Consultancy Revenue of ₹ 381 Crore from Consulting services.

DOMESTIC

Keeping its commitment to assist State Utilities for an inclusive, healthy and sustainable growth, your Company undertook a number of assignments on behalf of Utilities and other clients covering areas of Transmission, Sub-transmission, Distribution, Load Dispatch & Telecommunication, Smart Grid application, Energy Efficiency, HR Management and Development etc. Major Assignments include Comprehensive Scheme for Strengthening of Transmission & Distribution System in Arunachal Pradesh & Sikkim (Estimated project cost of ₹ 4209 Crore), Strengthening of 400 kV & 220 kV Transmission System of Delhi Transco Ltd (Estimated project cost of ₹ 932 Crore) and Srinagar - Leh Transmission System (Estimated project Cost of ₹ 1788.41 Crore).

In order to expand consultancy market even farther, exploratory forays are being persistently charted out in Oil sector, Railways, Industrial Corridors, etc. which are likely to bear fruit in near future.

Some of the engagements in green-shoot areas like Smart Grid / Non-conventional Renewable Energy and Energy Efficiency initiated by the Company also have potential opportunities to contribute towards income from consulting services.

INTERNATIONAL

Your Company secured a total of 10 assignments with consulting fee of about ₹ 3,700 Lakhs during FY 2014-15, in international arena. Your Company has now international presence in a number of countries of Asia, Africa & Eurasia regions. Countries in which consulting services are being provided include in Afghanistan, Bangladesh, Bhutan, Congo, Ethiopia, Nigeria, Nepal, Kazakhstan, Kenya, Kyrgyz Republic, Myanmar, Senegal, Tajikistan, Tanzania, Uzbekistan etc.

During the FY 2014-15, your Company successfully completed the contract worth USD 64.01 million awarded by Myanmar Electric Power Enterprise (MEPE), within time schedule, for supply of Goods and related Services for 230kV Transmission System associated with Thattay Chaung Hydro Power Project in Myanmar.

INTERNATIONAL COOPERATION

The proposed cross-country grid is being envisaged for harnessing SAARC nations' capacities and resources to address growing energy needs of the region. Presently, India has interconnections with Nepal, Bhutan and Bangladesh, which are being strengthened for mutual exchange of power. With these interconnections, while the country imports around 1,500 Megawatt (MW) of power from Bhutan, it exports around 500 MW power to Bangladesh and 150 MW power to Nepal.

Further, for evacuation of power from various upcoming hydroelectric power projects (HEPs) in Bhutan, Punatsangchu-I HEP (Bhutan) – Alipurduar (India) 400kV Double Circuit (D/c) line between countries Bhutan & India, is under implementation and expected to be ready by 2017. Also, for transfer of bulk power, interconnection between India and Nepal through 400 kV Dhalkebar (Nepal) - Muzaffarpur (India) D/c transmission line is under implementation. Further, to augment the power transfer capacity of India – Bangladesh asynchronous interconnection through 400kV (charged at 132kV) Surajyamaninagar (India) – Comilla (South) (Bangladesh) line, addition of another 500MW power terminal module at Bheramara is being firmed up, which will increase the power transfer capability between the two nations by 500MW. For interconnection between India and Sri Lanka through a ±400kV, 500/1000MW under-sea HVDC line, feasibility studies carried out and reports under review. Discussion for interconnection between India and Pakistan through Amritsar (India) - Lahore (Pakistan) line are being held at Government level.

CONTRIBUTION IN DISTRIBUTION REFORMS

Under DDUGJY (Deendayal Upadhyaya Gram Jyoti Yojana) scheme (including erstwhile RGGVY) for rural electricity infrastructure and household electrification, your Company has been executing infrastructure work for rural electrification in sixty-seven (67) districts of nine (9) States in the Country of a base cost of about ₹ 7,409 Crore.

Almost all of the X / XI plans schemes have been completed. Work in 4 districts in Uttar Pradesh (UP) assigned to POWERGRID under XI Plan Phase-II and XII Plan are under implementation.

During FY 2014-15, infrastructure was created for electrification in 581 nos. of partially electrified villages. Also, 2666 nos. of villages were energised. Cumulatively, till March, 2015, infrastructure has been created for electrification of 71,622 villages. Further, service connections were provided to about 35.9 lakh BPL households.

For rural electrification under DDUGJY, your Company has been engaged for execution of projects under the XII Plan in 15 districts of Odisha having sanction cost of about ₹ 1767 Crore and earning potential of ₹ 159 Crore.



XII PLAN PROGRAMME

The Capex plan of your Company has been increased to ₹ 1,10,000 Crore from ₹ 1,00,000 Crore envisaged earlier for XII Plan mainly due to additional transmission infrastructure of various inter-State transmission systems including Green Energy Corridors projects.

Your Company has already made a capital expenditure of ₹ 65,651 Crore in the first three years of the plan period. Based on the ratings given by both domestic and international credit agencies, your Company do not foresee any difficulty for resource mobilisation. The funding for capital expenditure are planned to be met through loans from multilateral institutions such as The World Bank, Asian Development Bank, Supplier's Credit, External Commercial Borrowings through bonds / notes, besides loans from domestic market and through private placement of bonds.

ERP IMPLEMENTATION & IT

Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of your Company has been implemented successfully in the year 2014-15.

Subsequent to completion of the User Acceptance Testing of the business solutions, pilot Go-live of ERP took place in August 2014. After the stabilization of the pilot region, roll out to balance regions was also taken up and completed during October 2014 to February 2015. Presently, majority of the key processes related to the business are running on ERP. Also, a Disaster Recovery Site is being established at Bangalore.

Your Company continues to provide latest IT solutions for betterment of its business process. Both Internet and Intranet have been provided in offices and site locations all over the Country for seamless connectivity and effective working environment. Recruitment process is being conducted for self and for few other companies through online application portal, which is designed, developed and maintained through in-house expertise. Further, various applications like online status of "Swachh Bharat Abhiyaan" (Clean India Mission) works, Inspection Management System, Vigilance Inspection System and Attendance Management System etc. are developed, run and maintained in-house for assisting the business operations.

The Company has also taken up a major technology upgradation of IT infrastructure such as implementation of cloud, security policy, Information Security Management System (ISMS), etc. Further, ISO:27001 Certification for ISMS is also being implemented initially at Corporate Centre.

Your Company has established video conferencing facilities at Corporate Centre, all regional Headquarters, all major Project Headquarters as well as at most of the substations. Video Conferencing is extensively used to carry out meetings, discussions and trainings within and outside POWERGRID network.

ENVIRONMENT AND SOCIAL MANAGEMENT

Your Company, since its inception is working to harmonise environment conservation with all aspects of its projects. Your Company's activities are non-polluting in nature and their environmental impacts are negligible. Your Company is committed to conservation of natural resources, reducing impact on nature and increasing the service value by use of efficient and safe technology practices.

Key initiatives taken by your Company towards sustainable development are technological initiatives for conservation of precious Right of Way (ROW), rain water harvesting system which is now an integral part of every new substation design, installation of LED bulbs, solar lights, fuel catalysts devices for DG sets etc. Your Company has substantially reduced the land requirement by utilizing new technology like Gas Insulated Substation (GIS) which requires less than one-third (1/3rd) of the land compared to conventional Air insulated Substation (AIS). In order to reduce Carbon footprint, waste paper are used to produce recycled paper for printing of our office stationery like letter heads, writing pads, visiting cards, envelopes etc. This has resulted in reduction in use/procurement of fresh paper.

For the FY 2014-15 your Company have obtained final forest clearance for 29 transmission lines involving 34 forest proposals involving diversion of about 1760 hectares and in-principle forest clearance for 22 transmission lines involving 32 forest proposals for diversion of about 1680 hectares. Some of the major lines for which such forest clearances are obtained include 765 kV Angul-Jharsuguda, 400 kV D/C Dehradun-Abdullapur, 132 kV S/C Tezu-Namsai, 765 kV D/C Dharamjaygarh-Jabalpur etc.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a commitment of your Company to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. It primarily focuses on inclusive social-economic growth for development of marginalized and under-privileged sections of the society residing around its areas of operation. With this approach, your Company carries out various CSR activities with thrust on Rural Development/Infrastructure Development, Livelihood Generation, Health, Education, Tree plantation, Environmental, Relief/Restoration during National Calamities etc.

During the FY 2014-15, your Company spent ₹ 47.42 Crore on various CSR activities, which was 75% higher than amount spent of CSR activities during FY 2013-14.

During the year under review, your Company has also participated in the "Swachh Bharat Abhiyaan" by constructing about 10,000 toilets in about 4,500 Government schools in several states of India. It has also undertaken Projects of imparting skill development trainings for industry employment/ self – employment to about 7500 youths departmentally and in association with National Skill Development Corporation (NSDC), National Handicapped Finance and Development Corporation (NHFDC), ITCOT etc. Your Company also distributed aids & appliances to People with Disabilities in association with ALIMCO and arranged "Health Check-up camps" at 30 locations.

Annual Report on corporate social responsibility (CSR) activities and spend of CSR Amount is given at Annexure XII of this Report.

PEOPLE, OUR CORE STRENGTH

Attracting Talent, Nurturing & Development of Human Capital

Employees are main resources for your Organization. During FY 2014-15, your Company inducted about 321 personnel at various levels viz. Executives, Supervisors & Workmen. Executives recruited through open advertisement on all India basis from reputed engineering and management institutes. Recruitment of non-executives was carried out through employment exchanges and local advertisement at regional level. As on March 31, 2015, the total number of employees of your Company stood at 9,033.

Your Company's Human Resource Development (HRD) interventions are directed towards learning new competencies and to reinforce good work practices & change workplace behaviour as per the organizational needs. The Company has been able to link the Individual Development Plans (IDP) of employees as per the business requirement, which helps the organization to keep updating the competencies of employees to meet current and future requirements. In order to align with growing competitive business environment, your Company imparted training/hands on training on major equipment and their operation & maintenance, new Land Acquisition Act, Certified Project Management Programmes, latest survey techniques, networking skills and overhead power line design program, etc.

The yearly Action Plan HRD has been based on 'Organisational Need Analysis (ONA)' and 'Training Needs Assessment (TNA)'. Competency Analysis and Skill Gap Analysis have been carried out for various functions in your Company by keeping in view the existing/emerging business scenario. Skill development programmes in the areas of transmission line construction, tower erection & stringing for unemployed / under-employed youths have been conducted at various locations in the Country and more than 600 such youths were trained during FY 2014-15. For conducting such trainings, necessary infrastructure has been created in POWERGRID sub-stations. Cumulatively, about 1600 persons have been trained up to 31.03.2015 under this initiative for enhancing the availability of skilled manpower for construction jobs in the field of transmission.

In addition, during FY 2014-15, training has been imparted to employees/participants from Haryana Vidyut Prasaran Nigam Ltd.(HVPNL), Bhakra Beas Management Board(BBMB), Powergrid Company of Bangladesh Ltd. (PGCB), Kenya Electricity Transmission Company Limited (KETRACO), Ceylon Electricity Board, Nepal Electricity Authority, Bhutan Power Corporation, Tanzania Electric Supply Company Limited and US Energy Association, under consulting services basis.

Employee Welfare

Your Company undertakes requisite changes in various policies from time to time in line with the needs and welfare of employees. It has empanelled various hospitals nearby to its establishments including Corporate Centre for the healthcare of employees and their dependents. The issues related to workmen are successfully addressed through the National and Regional Bipartite Committee (PNBC/PRBC), a joint consultative forum comprising management and workmen representatives.

An effective work culture has been established in the Company through empowerment, transparency, decentralization and practice of participative management. Industrial relations scenario in the Company has been cordial and no man-days were lost in FY 2014-15. Healthy community living is spread through periodically conducted cultural programmes for celebrating various occasions like Diwali get-together, Holi Milan, New Year, Raising Day, etc. in all establishments of the Company. Quality food is served to the employees in the ISO 22000:2005 conferred Cafeteria, Office and Food Lounge of Multi-Purpose hall.

Your Company also conducts various sport competitions for boosting the interest of employees in sports and games at intra and inter-regional level for Kabaddi, Cricket, Volleyball, and Badminton etc. Your Company also participates regularly in Inter-PSU Sports meet and its players stood meritorious in Table Tennis, Cricket, Carom, Badminton & Kabaddi tournaments and bagged a number of awards.

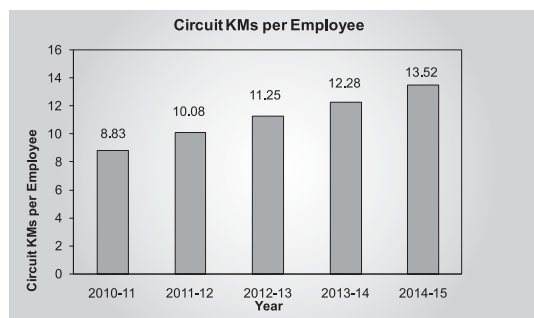
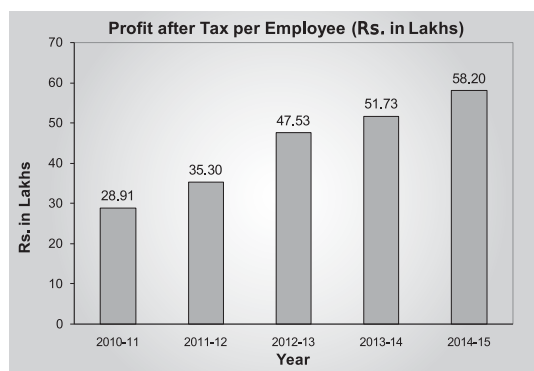
On the occasion of Silver Jubilee Celebrations a Mini-Marathon was organised at Corporate Centre, Gurgaon in which employees including CMD & Directors participated with their family members enthusiastically.

Prevention of Sexual Harassment at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, your Company has constituted Internal Complaints Committees (ICC).

Citizen's Charter

Citizen's Charter has been formulated for the Company providing a visible front of its vision, mission, objectives, commitments, terms of service and its obligation to various stakeholders. In this, information is available about Company's schemes, policies, project plans of the corporation and issues of general interest to stakeholders.





Implementation of Official Language

Your Company, being sensitive towards our heritage, social and cultural concerns, continues to prove its commitment for implementation of Official Language Policy of Govt. of India.

Your Company has been encouraging and putting all efforts for promotion of usage of 'Hindi' in all aspects of management in all levels of the Corporation. Further, the Company has organized various events such as workshops to impart training in translation, enhancing working knowledge through organizing computer trainings and Hindi classes, etc. for increased use of Official language. Events like Akhil Bhartiya Rajbhasha Sammelan, Kavi Sammelans (poetry sessions), Kavita Pratiyogita, Hindi plays and various competitions for employees & their families are organized. Publication of Hindi magazines and circulation of Hindi newspaper to all departments is also being done to encourage Hindi writing and reading. To provide further inspiration, employees are nominated for external Hindi training programs which further educate & encourage the employees to work in Hindi.

Various forums such as Parliamentary Committees on Official Language, Advisory Committee on Official Language and Town Official Language Implementation Committee (TOLIC) have applauded the efforts made by your Company for implementation of Rajbhasha & receiving many accolades.

Corporate Image through Communication Management

Communication Management is an important and powerful weapon for building a strong corporate brand identity to strengthen and modify its relationship with the internal and external stakeholders. Keeping in mind the need for sustained, timely and bona fide communication interventions, your Company has adopted various communication strategies to highlight itself as a major power transmission infrastructure giant contributing significantly towards development of national economy.

Your Company has been issuing various press communiqué to highlight growth, achievements, and developments with a view to maintain regular interaction with the public. Your Company organizes 'Quarterly Press & Analysts' Meet' to facilitate face to face interaction with the journalists, analysts and stakeholders which is aimed at winning the trust of the masses through imparting information in a transparent way.

To showcase its technologies and strengths, your Company participated in the 'India International Trade Fair (IITF) 2014' and 'Vibrant Gujarat' targeted towards the common masses and focused clients. Your Company also participated in other business oriented exhibitions in Mumbai, Delhi and the Country of Tanzania to reach out to the target audience for pitching the business.

Communication is not effective unless and until it reaches out to the employees who are the pillar of any organization. To achieve this, your Company deploys various internal communication tools such as monthly newsletters, house journals, wall magazines, lounge and regular media updates. Beside this, Company regularly organizes open house for face to face interaction between management and employees. Company has prepared a corporate movie to showcase its journey on the occasion of Silver Jubilee year. A motivated theme song was also prepared for the employees. All these communication tools have helped individual in gaining an understanding about the organization's culture & function and making them a brand ambassador of the Company.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been set up across your Company in line with 'Right to Information Act, 2005'. Your Company has nominated CPIO/ Appellate Authorities at its Corporate Office and Regional offices across the Country to provide required information to the citizens under the provisions of Act.

RENEWED COMMITMENT TO TRANSPARENCY & VIGILANCE FUNCTION

Vigilance Department of your Company performs Preventive, Pro-active as well as Punitive Vigilance. However, the emphasis has been shifted from "Punitive Vigilance" to "Preventive and Pro-active Vigilance". Your Company has taken a number of initiatives to inculcate good governance within the organization. Some of these initiatives are given hereunder:

Process (Online) Inspection

Using this technique, inspections are planned in such a manner that critical pre-award and post-award activities are inspected during execution of works. Process (On-line) Inspection is done in order to check whether there are any shortcomings or not, thereby providing an opportunity for rectification of the defects before the work is completed. Since the focus is more on prevention, critical observations made during such inspections help the management in preventing similar irregularities during the later stages of execution of the projects.

Web Based Vigilance Information Network System (VINS)

With a view to leverage Technology in our work, Vigilance Information Network System (VINS) has been devised by your Company in collaboration with the IT Department, which has significantly cut down time, efforts and cost of working resulting into higher efficiency.

Workshop on Ethics & Values

Every year, two (2) workshops on Ethics & Values are conducted by the Regional Vigilance Department as well as Corporate Centre. These are aimed at encouraging value based ethical decision by the employees. Further, Preventive Vigilance Workshops are also conducted by Vigilance Department for non-vigilance executives. With a view to create awareness among the employees, RTI workshops are organized by Corporate as well as Regional Vigilance Department.

Vigilance Awareness Week 2014

Vigilance Awareness Week was observed in POWERGRID from October 27, 2014 to November 1, 2014. In keeping with the theme 'Combating Corruption- Technology as an Enabler', various competitions were organized for the employees as well as for their family members, talk on ethics & values and on anti-corruption topics were delivered by eminent personalities. The week concluded with the release of in-house journal of the Vigilance Department 'Candour' by Shri Pratyush Sinha, former Central Vigilance Commissioner.

ACCOLADES & AWARDS

The excellent performance of your Company has been recognised and appreciated by the Govt. of India and other prestigious organisations & institutions in form of various awards/ accolades in various categories from time to time.

Your Company has been rated 'Excellent' for its performance as per MoU 2013-14 signed with the Ministry of Power and based on its performance poised to get 'Excellent rating' for MoU 2014-15 as well.

Your Company has been conferred with the prestigious **"ICSI National Award for Excellence in Corporate Governance"** for 2014 by Institute of Company Secretaries of India (ICSI) in recognition of the highest levels of transparency and governance practices adopted by the Company.

Your Company proved its mettle on global front by positioning itself in the **"Forbes List of Global 2000 Largest and Most Powerful Public Companies"**, and also **"fastest growing electric utility in the world"** as per M/s Platts (a division of McGraw-Hill Companies).

"The Economic Times" at its Power Focus 2nd Annual Summit awarded your Company for its remarkable contribution in the Power Sector.

Your Company has been conferred with **"CBIP Award"** for the best performing Transmission Utility and your CMD has been felicitated with the **"Power Persona of The Year Award"** by CBIP in recognition of his contribution for accelerated development of power sector.

Your CMD has also been bestowed the prestigious **"IEF Meritorious Energy Service Award"**

Director (Finance) of your Company, Shri R. T. Agarwal, has been felicitated with the **"CA-CFO-Power Sector Award"** by the Institute of Chartered Accountants of India in recognition of exceptional performance as CA-CFO in Power Sector for the Year 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to the issues in the Directors' Report, some issues have been brought out in report on Management Discussion and Analysis placed at Annexure-I.

BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report as stipulated under Clause 55 of the Listing Agreement with the Stock Exchanges is given in Annexure-II.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As per requirements of disclosures under Section 134(3) (m) of Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in Annexure-III report.

Auditors' Report

The qualification in Statutory Auditors' report and managements reply thereto is given at Annexure – IV to this Report.

COMPTROLLER AND AUDITOR GENERAL'S COMMENTS

Company has received 'NIL' comments on the standalone accounts for the year ended March 31, 2015 by the Comptroller and Auditor General of India under Section 143(5) of the Companies Act, 2013. C&AG comments on the consolidated accounts and management's reply thereto are attached as Annexure-V to this Report.

Performance Audit

The Performance Audit has been conducted by C&AG to assess the effectiveness of 'Planning & Implementation of transmission projects by POWERGRID during XI Plan (2007-2015) and Grid Management by POSOCO.' The Performance Audit report was placed before the Committee on Public Undertakings in August, 2015. The points forwarded by the Committee in the said report have been duly replied by the management.

Composition of the Board

Your Company's composition of Board of Directors underwent some changes during the year 2014-15. Shri Santosh Saraf and Smt. Rita Sinha, non-official part time directors ceased to be Directors on the Board of the Company w.e.f. December 27, 2014. The Board wishes to place on record its deep appreciation and gratitude for the significant contribution and support to the Company extended by them during their tenure as Directors of the Company.

As on 31st March, 2015, the Board comprised Twelve Directors out of which five were whole-time Directors including the Chairman & Managing Director, two Government nominees and five Independent Directors.

In accordance with the provisions of Section 160 of the Companies Act, 2013 read with Article 31 (iii) of the Articles of Association of the Company, Shri Ravi P. Singh, Director (Personnel) and Shri R.P. Sasmal, Director (Operations) shall retire by rotation at the Annual General Meeting of your Company and being eligible, offer themselves for re-appointment.

Number of meetings of the Board

The details of number of Board / Committee meetings held during the year are provided in the Report on Corporate Governance, which forms part of this report.

**Declaration by Independent Directors:**

All the Independent Directors have met the requirements specified under Section 149 (6) of the Companies Act, 2013 regarding holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149 (7) has been received.

Performance Evaluation of Directors:

The requirement of performance evaluation of directors under Section 178(2) of the Companies Act, 2013 has been done away with for Government Companies vide Ministry of Corporate Affairs' Notification dt. 5th June, 2015. The Independent Directors in their separate meeting has reviewed the work assigned to them under Schedule IV of the Companies Act, 2013, including performance evaluation of Directors and the Board.

Further, the appointment, tenure and remuneration of Directors is decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors are as per terms and conditions determined by the Department of Public Enterprises, Govt. of India. Independent Directors are paid only sitting fee per Board / Committee meeting attended. POWERGRID enters into Memorandum of Understanding (MoU) with Ministry of Power every year wherein Company is evaluated on various financial and non-financial parameters.

Secretarial Audit

M/s Chandrasekaran & Associates, Practising Company Secretary has conducted Secretarial Audit of the Company for the financial year ended March 31, 2015 from. The Report forms part of this Annual Report at Annexure-VI.

The Secretarial Auditor in his report has made the following observations:

"During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has complied with the provisions of Section 149 of the Companies Act 2013 and clause 49 of Listing Agreement except with respect to the requirement of appointment of minimum number of Independent Directors since 27.12.2014.
2. The Company has not filed certain e-forms relating to creation of charges with the office of the Registrar of Companies where the Permanent Account Number (PAN) of the lenders are not available, which is mandatory."

Further, the explanation given by the Board on the observation given by the Secretarial Auditor are as under;

1. POWERGRID, being a Govt. Company within the meaning of Section 2 (45) of the Companies Act, 2013, the power to appoint Directors vests with the President of India. The matter has already been taken up with administrative ministry for filling two existing vacancies of Independent Directors on the Board of POWERGRID.
2. POWERGRID could not file certain e-forms relating to charges in MCA21, wherein the Lenders are Multilateral Agencies-World Bank, ADB and IFC for non-availability of PAN of these Agencies. PAN is a mandatory fill under e-filing in MCA-21.

Extract of Annual Return

In accordance with Section 134 (3) (a) of the Companies Act, 2013, the extract of the annual return in the prescribed format in MGT-9 is given as Annexure VII of this Report.

Committees of the Board

The Company has Audit Committee, CSR Committee and other Committees in place. The composition and scope of the Committees are provided in the Report on Corporate Governance.

A report on the Corporate Governance (Annexure-VIII), forming part of this report, together with the Certificate thereon is given in Annexure-IX to this Report.

Risk Management Policy

A Statement indicating development and implementation of a risk management policy of the Company including major elements of risk are given in the Management Discussion and Analysis Report at Annexure-I of this Report.

STATUTORY AUDITORS OF THE COMPANY

The Statutory Auditors of your Company are appointed by the Comptroller & Auditors General of India. M/s S. K. Mehta & Co., M/s Chatterjee & Co., and M/s Sagar & Associates were appointed as Joint Statutory Auditors for the financial year 2014-15.

COST AUDITORS OF THE COMPANY

Your Company appointed M/s. K. G. Goyal & Associates, Cost Accountants and M/s. R. M. Bansal & Co., Cost Accountants as Cost Auditors for the Financial Year (FY) 2014-15 under Section 148 of the Companies Act, 2013.

The Cost Audit Reports for the FY 2014-15 will be filed with the Cost Audit Branch, Ministry of Company Affairs before due date i.e. September 27, 2015.

ACKNOWLEDGEMENTS

The Board of Directors, with deep sense of appreciation, acknowledges the guidance and co-operation received from Govt. of India, particularly Ministry of Power, Ministry of Finance, Ministry of Home Affairs, Ministry of External Affairs, Ministry of Statistics and Programme Implementation,

Ministry of Environment & Forests, Central Electricity Regulatory Commission, Appellate Tribunal for Electricity, Central Electricity Authority, Department of Public Enterprises, Regional Power Committees, and other concerned Govt. departments/agencies at the Central and State level as well as from Securities and Exchange Board of India, National Stock Exchange of India Ltd., and Bombay Stock Exchange Ltd., Mumbai without whose active support, the achievements of the Corporation during the year under review would not have been possible.

Board's special appreciation and thanks are to our valued customers, State Governments and State power utilities and other clients, who have awarded various works on consulting services basis and reposed faith in Company's capability to handle them. The Board also appreciates all its the contribution of Contractors, Vendors and Consultants for successful implementation of cvarious projects by the Company.

The Directors take this opportunity to thank the Principal Director of Commercial Audit and Ex-Officio Member Audit Board-III for the cooperation during the year. The Directors also acknowledge the valuable suggestions and guidance received from the statutory auditors during the audit of accounts of the Company for the year under review. The Board also records its appreciation to national/ international financial institutions/ multilateral Financial Institutions (The World Bank & Asian Development Bank)/ Banks/ national (ICRA & CRISIL) & international (Standard & Poor and Fitch) credit rating agencies for their assistance, continued trust and confidence reposed by them on POWERGRID.

On behalf of Board of Directors, I would like to place on record our deep appreciation of the dedicated efforts and valuable services rendered by the members of the POWERGRID family, in the Company's achievements during the year 2014-15. I would also like to thank the Executive team for their strong leadership, the employee unions, for their support and all our employees for their commitment to achieve the aim to be the world's premier transmission utility.

For and on behalf of the Board of Directors



(R. N. Nayak)
Chairman & Managing Director

Place: New Delhi
Date: 10.08.2015

Management Discussion and Analysis

Economic outlook

In fiscal 2015, India has emerged amongst the few economies with favorable economic outlook. Better prospects in the Country are mainly due to economy being relieved from the vulnerabilities associated with an economic slowdown, continuous inflation, increased fiscal deficit, slowdown in domestic demand. Indian economy is strengthening through higher infrastructure spending and continued reform in financial and monetary policy. The Indian economy grew by 7.3 per cent during 2014-15 as against 6.9 per cent in 2013-14. Electricity is one of the most critical components of infrastructure, affecting economic growth and well-being of people at large. For the first time in the country, the annual electricity generation in 2014-15 crossed one thousand Billion Units. Power generation during the 2014-15 is 1,048.403 BU showing a growth rate of 8.4% over the previous year, which is the highest growth rate in the last two decades.

Sectoral outlook

The Twelfth Five Year Plan lays special emphasis on development of the infrastructure sector including energy as an imperative for sustaining high growth. According to the Twelfth Plan projections, during the Plan period, i.e. 2012- 17, an investment of US\$ 1 trillion is required in the infrastructure sector in India. During the Twelfth Plan period, the capacity addition is estimated at 88,537 MW comprising 26,182 MW in the Central Sector, 15,530MW in the State Sector, and 46,825 MW in the Private Sector respectively. Summary of Capacity Addition Programme during Twelfth Plan is as under:

(MW)

Type/Sector	Central	State	Private	Total
Thermal	14,878.00	13,922.00	43,540.00	72,340.00
Hydro	6,004.00	1,608.00	3,285.00	10,897.00
Nuclear	5,300.00	0.00	0.00	5,300.00
Total	26,182.00	15,530.00	46,825.00	88,537.00

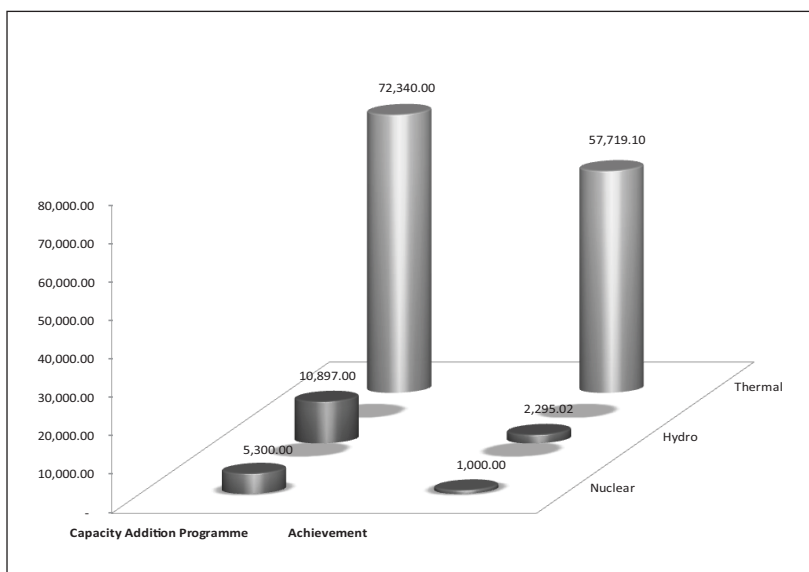
Source: CEA website- www.cea.nic.in

Against aforesaid target of 88,537 MW, 61,014.12 MW capacity has been added till March, 2015, which constitutes 68.91 per cent of the target envisaged in the Twelfth Plan. The individual targets achieved by the centre, states, and private sector during this period are 47.23 per cent, 78.69 per cent, and 77.79 per cent, respectively. Achievement up to March, 2015 during the Twelfth Plan is as under:

(MW)

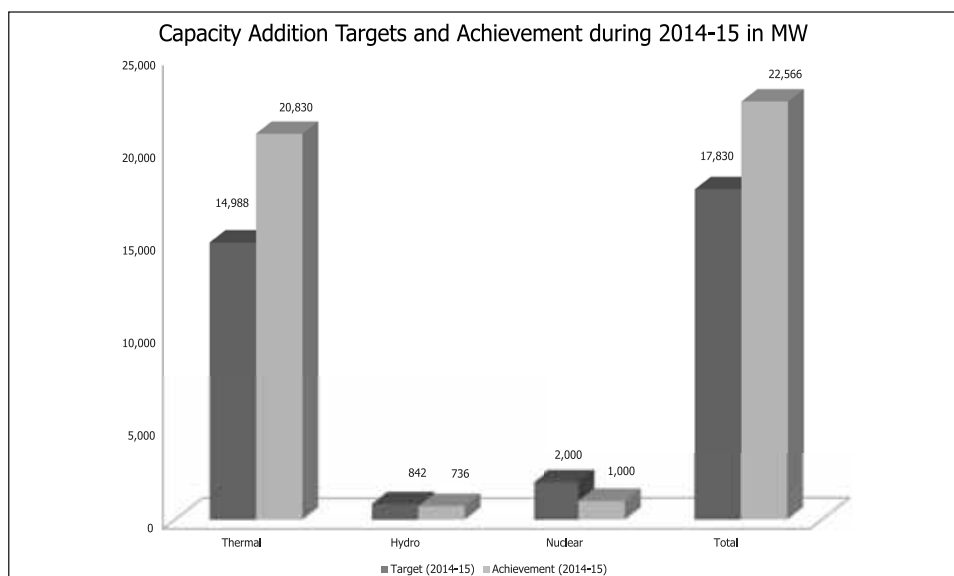
Type/Sector	Central	State	Private	Total
Thermal	9,342.50	12,119.10	36,257.50	57,719.10
Hydro	2,024.02	102.00	169.00	2,295.02
Nuclear	1,000.00	0.00	0.00	1,000.00
Total	12,366.52	12,221.10	36,426.50	61,014.12
Achievement %	47.23	78.69	77.79	68.91

Source: CEA website- www.cea.nic.in



Capacity addition target and achievement during April, 2014 to March, 2015 are as under:

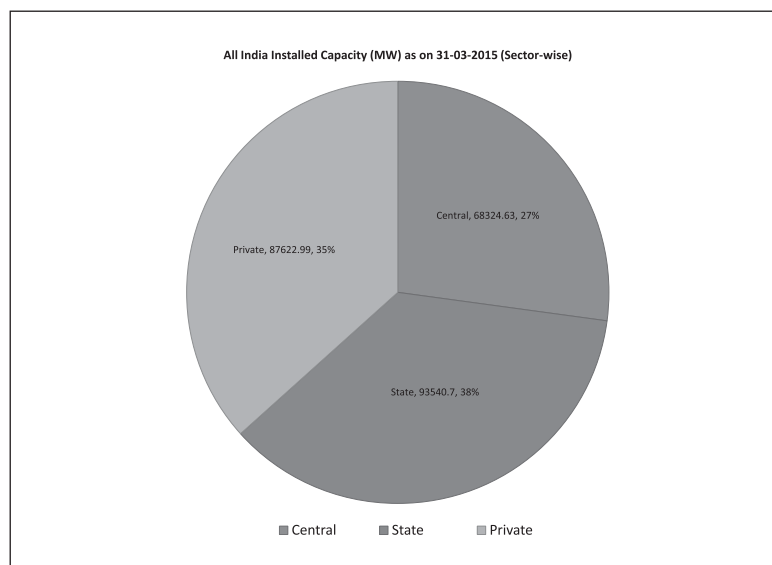
The generation capacity addition during 2014-15 was 22,566 MW against a target of 17,830 MW, which is the highest ever achievement in a single year. Out of 22,566 MW added during the year 2014-15, contribution of thermal sector was significant i.e. 20,830 MW (92% of the total); Hydro sector was 736 MW and nuclear sector was 1,000 MW.



All India Installed Capacity (MW) as on 31-03-2015 (Sector-wise) is as under:

Sector	THERMAL				Nuclear	Hydro	RES	Grand Total
	Coal	Gas	Diesel	Total				
Central	48,130.00	7,519.73	0.00	55,649.73	5,780.00	11,091.43	0.00	72,521.16
State	58,100.50	6,974.42	602.61	65,677.53	0.00	27,482.00	3,803.67	96,963.20
Private	58,405.38	8,568.00	597.14	67,570.52	0.00	2,694.00	27,888.47	98,152.99
All India	1,64,635.88	23,062.15	1199.75	1,88,897.78	5,780.00	41,267.43	31,692.14	2,67,637.35

Source: CEA website- www.cea.nic.in





Electricity Generation during 2014-15

With a target of 1,023.00 billion units (BU) and achievement of 1048.403 BU, electricity generation by power utilities has exceeded the target set during 2014-15 showing growth of 102.48 per cent. In 2014-15, growth in generation in thermal category was 102.30 per cent, Hydro was 103.87 per cent Nuclear was 101.91 per cent and Bhutan Import was 104.11 per cent. The electricity generation (MU) targets and achievement for 2014-15 is as under:

Sector	April, 2014 to March, 2015		% Achievement
	Target	Achievement	
Thermal			
Central Sector	3,10,289.00	3,08,069.28	99.28
State Sector	3,02,656.00	2,99,448.60	98.94
Pvt. IPP Sector	2,23,119.00	2,49,203.67	111.69
Pvt. UTL Sector	22,539.00	21,599.28	95.83
Total	8,58,603.00	8,78,320.83	102.30
Hydro			
Central Sector	47,828.00	50,878.08	106.38
State Sector	65,142.00	67,505.69	103.63
Pvt. IPP Sector	9,907.00	9,284.17	93.71
Pvt. UTL Sector	1,420.00	1,443.20	101.63
Total	1,24,297.00	1,29,111.14	103.87
Nuclear			
Central Sector	35,300.00	35,973.15	101.91
Total	35,300.00	35,973.15	101.91
Bhutan Import	4,800.00	4,997.39	104.11
Grand Total	10,23,000.00	10,48,402.51	102.48

Source: CEA website- www.cea.nic.in

Transmission Sector:

Government of India is now increasing its focus more on transmission sector. Government of India has taken number of steps - such as expediting forest clearances and intensive monitoring of critical transmission lines, 22,101 circuit kilometers (ckm) of transmission lines have been commissioned during the year 2014-15 against 16,748ckm commissioned during the same period last year, thus having a growth of 31.96% which is the highest ever achievement in a single year. This is 106% of the annual target of 20,882 ckm fixed for 2014-15. Similarly, the overall increase in the transformation capacity has been 65,554 MVA during 2014-15 which is record achievement in a single year and constitutes 137% of the target of 47,871 MVA fixed for 2014-15.

Voltage Level/Sector	April, 2014 to March, 2015			
	Transmission Lines (Fig. in ckms)		Sub-stations (Fig. in MVA)	
	Programme	Achievement	Programme	Achievement
765 kV				
Central Sector	4,088	5,912	18,000	22,500
State Sector	0	3	15,000	7,000
JV/Pvt. Sector	2,463	1,633	10,500	9,000
Total	6,551	7,548	30,000	38,500
400 kV				
Central Sector	3,299	3,174	4,565	7,400
State Sector	4,371	4,215	4,775	7,570
JV/Pvt. Sector	1,442	2,603	0	0
Total	9,112	9,992	9,340	9,340
220 kV				
Central Sector	37	93	0	460
State Sector	5,182	4,448	8,531	11,624
JV/Pvt. Sector	0	20	0	0
Total	5,219	4,561	8,531	12,084
Grand Total	20,882	22,101	47,871	65,554

Source: CEA website- www.cea.nic.in

The huge capacity addition coupled with higher generation and improved transmission capacity has resulted in considerably reducing the electricity energy shortage from a level of 7 to 11% during the last two decades to a record low of only 3.6% during the year 2014-15.

All India actual power supply position during 2014-15:

During the year 2014-15, though the total ex-bus energy availability increased by 7.4% over the previous year and the peak met increased by 8.7%, the shortage conditions prevailed in the Country both in terms of energy and peaking availability as given below:

	Energy (MU)	Peak (MW)
Requirement	10,68,923	1,48,166
Availability	10,30,785	1,41,160
Shortage	-38,138	-7,006
(%)	-3.6	-4.7

Source: CEA website- www.cea.nic.in

The energy requirement registered a growth of 6.7% during the year against the projected growth of 4.6% and Peak demand registered a growth of 9.0% against the projected growth of 8.8%. Region-wise picture in regard to actual power supply position in the country during the year 2014-15 in energy and peak terms is given below:

Region	Energy				Peak			
	Requirement (MU)	Availability (MU)	Surplus / Deficit (-) (MU)	(%)	Demand (MU)	Met (MU)	Surplus / Deficit (-) (MU)	(%)
Northern	3,32,453	3,11,589	-20,864	-6.3	51,977	47,642	-4,335	-8.3
Western	3,17,367	3,14,923	-2,444	-0.8	44,166	43,145	-1,021	-2.3
Southern	2,85,797	2,74,136	-11,661	-4.1	39,094	37,047	-2,047	-5.2
Eastern	1,19,082	1,17,155	-1,927	-1.6	17,040	16,932	-108	-0.6
North-Eastern	14,224	12,982	-1,242	-8.7	2,528	2,202	-326	-12.9

Source: CEA website- www.cea.nic.in

The All India Village Electrification as on 31.03.2015 is as under:

Total Number of Villages	Villages Electrified (Nos.) as on 31.03.2015	% villages electrified
5,97,464	5,77,698	96.69

Source: CEA website- www.cea.nic.in

POWERGRID – A 'Navaratna' Public Sector Enterprise and 'Central Transmission Utility' of the Country

Power Grid Corporation of India Ltd. (POWERGRID), the "Central Transmission Utility" of the Country since 1998, has been engaged in planning/ construction, operation & maintenance of inter-state transmission system (ISTS) as its core business. Your Company has expanded its business into (a) Telecom: utilizing its extra high voltage power transmission network infrastructure in the country; (b) Consultancy service : for engineering procurement and construction within and outside India, in the fields of electrical power transmission & distribution, to government and other utilities in India & abroad.

POWERGRID Transmission Network as on 31st March, 2015:

- Owns & operate transmission network of about 115,637 ckm of Extra High Voltage (EHV) transmission lines, 192 Nos. EHVAC & High Voltage Direct Current (HVDC) Sub-stations and 231,709 MVA transformation capacity.
- Maintained the transmission availability at 99.87% (during F.Y.2014-15) at par with International Utilities.
- Wheels about 46% of the total power generated across Country.

POWERGRID'S commitment towards strong & secured of National Grid:

During the year, the Company has added 8,830 ckm. of transmission network and 8 Sub-stations with transformation capacity of 25,786 MVA. National Grid of about 46450 MW inter-regional power transmission capacity has been established.

The targets vis-a-vis achievements of POWERGRID in project implementation during year 2014-15 are as under:

Works	Target (for Excellent MoU rating)	Achievement	Percentage Achievement
Foundation (Nos.)	15,000	15,255	102%
Tower Erection (Nos.)	13,500	15,675	116%
Stringing (ckms)	7,000	12,360	177%
Transmission lines ready for commissioning (GW-ckms)	10,000	13,227	132%
Transformation Capacity/ ready for commissioning (MVA)	25,000	30,440	122%
Inter-regional power transmission capacity addition/ready for commissioning	3,700	4,200	114%



Addressing the concerns in construction & maintenance of Inter-state transmission system (ISTS) and also shouldering its responsibility towards society and Nation

With rapid urbanization, growth in population density, habitation & infrastructure over the period resulting in reduced availability of usable land for development of infrastructure projects, availing Right-of-Way for construction & operation of transmission lines, acquisition & optimal use of land for substations; obtaining forest clearances and addressing environmental concerns have become major challenges for the expansion of transmission network. Further, construction and maintenance of vast transmission network also calls for skilled manpower and improved operational & maintenance efficiency. In view of above, major areas of concern in construction and operation & maintenance of ISTS are as under:

- (i) Right of Way (RoW) Issues
- (ii) Acquisition and optimal use of land for Substations
- (iii) Obtaining forest clearance
- (iv) Availability of skilled manpower
- (v) Increasing efficiency in operational & maintenance

Your Company, apart from its endeavor to mitigate the aforesaid concerns is making vigours efforts in achieving energy efficiency and sustainable development.

The Company has also, by leveraging its managerial & technological capabilities, been successful in acquiring a number of Project SPV's and establish the project on Build, Own, Operate and Maintain ("BOOM") basis under Tariff Based Competitive Bidding (TBCB) route which has been implemented with effect from 6th January, 2011 pursuant to the Tariff Policy and guidelines related thereto issued by the Government of India for all the Inter-State Transmission System (ISTS) Projects except for some specifically identified projects as may be determined by the Government of India.

The aforesaid major concerns, as stated under Serial No. (i) to (v) above, in construction and operation & maintenance of ISTS, are being addressed through innovation and adoption of new technologies. Towards this, your company has taken various initiatives such as deploying various technologies like ± 800 kV HVDC transmission, 765 kV DC line, development of 1200kV Ultra High Voltage (UHV) AC technology, High Temperature Low Sag (HTLS) conductors, multi circuits, compact & tall towers, High Surge Impedance Loading Lines, Fixed & Thyristor controlled Series Compensation, etc. Further, towards achieving continuous improvements, your Company is also coming up with state-of-the-art laboratories for power system analysis, advanced equipment diagnostics, smart grid technology for transmission & distribution, energy efficiency, control and automation, which will help in adoption of innovative technologies in transmission system. Some of these issues and technological initiatives taken-up are:

(i) Addressing Right of Way (RoW) issues:

In order to address the RoW issues and to cater to the need of bulk Power Transfer to distantly located Load Centres, your Company has been adopting higher voltages levels specially designed towers and technologies to gradually and increase the power carrying capacity of transmission lines to optimize the RoW requirement. Some of the technological initiatives taken by the Company are as under:

- Adoption of high voltage bulk power transmission lines

Your company has taken initiative and developed indigenously 1200kV Ultra High Voltage (UHV) AC technology, the highest transmission voltage level in the world, in collaborative efforts with domestic manufacturers. In this direction, POWERGRID has successfully established the 1200 kV UHVC test station at Bina including test-charge of 1200 kV single and double circuit transmission lines as pilot project. Construction of 1200 kV upgradable transmission line from Wardha to Aurangabad (approx. 350 km length, to be initially charges at 400kV level) is also underway and shall be charged at rated voltage after field trials.

With introduction of higher voltage transmission systems like 765 kV Double Circuit transmission lines, ± 800 kV UHVDC and 1200 kV UHVAC transmission lines in the Country, which are presently under construction, huge reduction in RoW requirement per MW of power transferred is envisaged. Construction of UHVDC line viz. ± 800 kV, 6000MW HVDC line from Biswanath Chariyali (Assam) to Agra (Uttar Pradesh) via Alipurduar (West Bengal) (about 1750 km long), facilitating transfer of bulk power from North Eastern Region to Northern Region through the constricted chicken neck area is in advance stage of construction and will be one of the longest HVDC lines in the world. Construction work for another ± 800 kV HVDC line between Champa (Western Region) and Kurukshetra (Northern Region) having length of approx. 1400 km is under implementation.

- Use of High Performance Conductors in Existing & New Lines

High performance conductors are conductors of different configurations, which have the capacity to carry more power with lesser transmission losses. The key benefits are:

- transfer more power using the same towers and line corridor.
- lower sag as against conventional conductor at higher operating temperatures.

Keeping in view the advantages of re-conductoring of existing lines with high performance conductors that facilitates faster implementation vis-à-vis creating new parallel corridors and conservation of scarce land, RoW and forest resources, etc. initiatives have been taken by your company for re-conductoring of some of the existing lines such as Siliguri-Purnea, Neyveli TPS-I to

Neyveli TPS-II, and Farakka-Malda 400 kV D/C lines with High Temperature Low Sag (HTLS) conductors to enhance their power carrying capacity.

Considering superconductor technology as a promising future technology, your company is on implementation of a demonstration project on High Temperature Superconductor (HTS) cable system, for assessing the feasibility and operational issues.

- Network expansion has caused increased fault levels across India and in certain pockets due to interconnection & generation concentration. To control these fault levels, POWERGRID is employing series Reactors both in lines and in buses.
- In order to address the Right of Way constraints and to conserve forest areas, POWERGRID has been designing and using various types of towers depending upon land topography and conditions- Compact, Pole Type, Multi-Circuit Towers.

(ii) Acquisition of Land for substations:

With rapid urbanization and reduced availability of land, particularly in cities & metros, hilly regions, etc., acquisition of land for establishment of Substations has become a major challenge now a days, and calls for reduction/ optimization of land use for setting up of transmission systems.

There is no land acquisition involved in the transmission line however piece of land is normally required for setting of substations. Since land has now become a scare resource and many issues are raised during its acquisition, POWERGRID follows the land management practices to optimize the requirement of land even for such a piece of land.

Your Company constantly upgrades and improvises by investing in new technology like Gas Insulated Switchyard (GIS) which require very less land area (1/4th approximately) in comparison to traditional Air Insulated Switchyard (AIS). Following the principle of minimization to conserve land resources, POWERGRID has also taken a policy decision to establish only GIS substations in vicinity of city / habitated area.

In order to make land acquisition process in the Country more transparent and participative as well as to ensure Rehabilitation and Resettlement of affected families GOI has enacted a new Act viz. "The Right to Fair compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013" and was made effective since 1st January, 2014. Time requirement for acquisition of small piece of land under the new Act is between 3 to 4 years which is well beyond the stipulated time line (18 to 36 months max. depending upon voltage & terrain) provided to POWERGRID by Central Electricity Regulatory Commission (CERC) for completion of transmission projects. As such it is seen as a very significant impediment for completing the project on schedule as per stipulated Regulation of CERC. Therefore, to secure required land on time to facilitate timely commissioning of projects, POWERGRID has devised a comprehensive policy to secure private land on willing seller willing buyer basis on negotiated and agreed rate.

(iii) Forest Clearances

Obtaining forest clearance on time for transmission projects, owing to lengthy and cumbersome process was a very big challenge for your Company. However, our concerted efforts and the positive and continuous assistance of Govt. of India/Ministry of Power has resulted in Ministry of Environment & Forests (MoEF) taking many pro-active decision for expediting the forest clearance particularly for linear projects including transmission lines. The most important of such policy change is in respect of enhancement of powers of RMoEFs through notification dt. 10th October, 2014. This will result in early and expeditious forest clearance as now all proposals of forest clearance for transmission line shall be cleared by the respective RMoEFs without any reference to MoEF, Delhi irrespective of area involved. The number of RMoEF offices has also been increased from 6 to 10 for faster processing of such clearance.

The Company had been able to obtain in-principle (Stage-I) forest clearances for 1688.43 ha. of forest land covering 32 lines such as 800 kV HVDC Champa-Kureshetra, 765 kV Vindhyachal-Satna, Ranchi-Dharamjaygargh-Jabalpur and 400 kV Chandwa-Gaya etc. and final (Stage-II) clearance for 1760.63 ha. covering 34 lines such as 765 kV Angul-Jharsuguda, Raipur-Wardha, 132 kV Tezu-Namsai etc. in FY 2014-15.

(iv) Developing skilled manpower:

With the change in technology, strategy and growing competitive business environment, our human resources are continuously keeping themselves updated and upgraded in terms of their knowledge, skill and attitude. Human Resource Development Interventions are directed towards learning new competencies and to reinforce good work practices & change workplace behaviour as per the Organizational needs.

The HRD Action Plan for the year 2014-15 was based on the premise of the outcome of two pronged strategy viz. Organisational Need Analysis (ONA) and Training Needs Assessment (TNA). The Company has been able to link the Individual Development Plans (IDP) of employees as per the business requirement which helps the organization to keep updating the competencies of employees to meet current and future requirement. In order to align with growing competitive business environment, POWERGRID imparted training on RoW & new Land acquisition Act certified Project Management programmes, Networking Skills, Hands on training on Transformer & Reactor, etc..

Skill development programmes in the areas of transmission line, tower erection and stringing, for unemployed / under-employed youths which are being conducted at various locations in the Country and more than 600 such young men were trained during 2014-15. Company has set up the necessary infrastructure for conducting such training in POWERGRID sub-stations and training in other areas are being conducted in all these centres concurrently. Cumulatively, about 1600 persons have been trained up to 31st March, 2015 under this initiative for enhancing the availability of skilled manpower for construction jobs in the field of transmission.

During the Year, 83 executives have been certified for Project Management.

Three National Standards for technician, line-man and electrician have been prepared and published by Power Sector Skill Council (PSSC).

As the part of Training Consultancy during the FY 2014-15, training has been imparted to employees of Haryana Vidyut Prasaran Nigam Ltd. (HVPNL), Bhakra Beas Management Board (BBMB), Powergrid Company of Bangladesh Ltd. (PGCB), Kenya Electricity Transmission Company Limited (KETRACO), Ceylon Electricity Board, Nepal Electricity Authority, Tanzania Electric Supply Co Ltd and US Energy Association, World Bank- CASA countries and Bhutan Power Corporation.

(v) Increasing operational & maintenance efficiency:

Company's assets have grown exponentially with increased number of 765 kV transmission lines in the system. Geographical spread of assets all over the Country, open electricity market, wide variation in power flow in terms of quantum and direction, increased penetration of renewable generation, need for effective utilization of existing assets etc. have made it a challenging task to maintain the system with high reliability, safety & security of such large power system in real time basis. Recognizing the need for effective control on real time basis and to improve planning and operations of power system as a whole, your company is adopting various measures such as:

- Your company has introduced process bus architecture by implementing pilot project at 400kV substation, Bhiwadi. Under this primary equipment switchgear (CB & Isolators) and CT/PTs were connected through with Optical fibres Ethernet using IEC 61850 protocol thereby avoiding complex protection, control & measurement cables. This will pave way towards digital substations in POWERGRID.
- Your company is exploring introduction of State-of-the-Art Fault Current Limiter (FCL), which does not affect the steady State power transfer capability of the transmissions lines. These advanced FCL helps in reduction of fault current by offering higher impedance under fault condition only.
- Remote operations of Substations and creation of Maintenance Service Hub facilities where group of experts of all areas like control & protection, switchyard equipment, transformer & reactor shall be available to do major maintenance of equipment as & when required. At the ended of FY 2014-15, 75 substations are being operated though remote operation including 44 substations without operating staff.
- Your Company has adopted state-of-the-art condition monitoring techniques for transmission equipments for detection of defects at their incipient stage. These include Frequency Response Analysis (FRA), Frequency domain spectroscopy, Dissolved Gas Analysis (DGA), DGA of bushing, vibro-acoustics of OLTC etc. for Transformers and Reactors, Dynamic Contact Resistance Measurement for Circuit Breakers, Third Harmonic Resistive Current measurement for Surge Arrestors, Thermo-vision scanning etc. for smooth operation with high reliability and availability during their useful service life. POWERGRID has introduced online Capacitance & Tan delta monitoring of the bushings, dynamic temperature record through FO sensors in Transformer and Reactor and multi gas monitoring system for getting advance alarm prior to failure.
- Hotline maintenance, a highly specialized maintenance activity wherein highly skilled manpower carry out maintenance activities such as replacement of insulator, vibration dampers, hardware etc. on live lines and thus avoiding outages of transmission lines.

Hotline maintenance on 765 kV transmission lines has also been introduced to minimize outage duration and hence enhancement of system availability.

Your Company is in the process of adoption of Hotline maintenance technique using Helicopter. It will help in reduction of outage duration and enhancement of transmission system reliability.

- Your Company has also introduced Aerial Patrolling of lines using Helicopters for the first time in India in selected areas such as deep forests, hilly terrain & snow bound areas where ground patrolling is difficult and very time consuming. Helicopter equipped with Gimbal mounted LIDAR (Light Ranging and Detection), Thermo-vision Camera, High resolution Video and Digital camera has been deployed to identify the defects within short period in comparison with patrolling of lines on foot by human being and taking corrective actions.
- Your Company is in the process of mapping pollution intensity of various Regions of the Country on a geographical map in association with State Power Transmission Utilities. This shall help in deciding suitable insulators for efficient and effective performance of transmission lines particularly in high pollution and foggy areas. For Northern Region, the measurement activity has been completed and pollution mapping already been undertaken in Southern Region and Eastern Region.
- Your Company has undertaken full scale implementation of WAMS (Wide Area Measurement Technology) technology on pan India basis under "Unified Real Time Dynamic State Measurement System (URTDMS)" Project integrating State and Central Grids with aim to enhance efficiency in overall grid management in open electricity market regime. The Project shall enable synchronous measurement of real time grid parameters across the widely spread grid with low latency in data transfer to control centers.

Under this project, Phasor Measurement Units (PMUs) would be placed at all HVDC, 400kV and above substations and generating stations including at 220 kV level. The experience gained during implementation of WAMS Pilot Project, which now has 56 PMUs in field is being utilized for implementation of URTDSM Project. URTDSM shall involve installation of around 1200 PMUs and computer hardware & software at 34 control centers. This is largest project of its kind ever implemented world over.

Synchronized phasor measurements will facilitate improved monitoring, visualization and enhanced situational awareness of the grid events on real time. POWERGRID is also developing various analytics using PMU measurements for diagnosis, validation and control purpose. The analytics will enable for implementation of Wide Area Protection & Control Systems, which will improve grid reliability, security and reduce probability of blackouts and minimize their spread.

Your Company has also undertaken Power System study through Real Time Digital Simulator (RTDS) for HVDC. RTDS has a specialized computer hardware and software designed specifically to achieve real time simulation of power systems with HVDC, FACTS and protective relays, etc. specifically for study of dynamic performance which is likely to enhance efficiency in operation.

To meet the communication requirement of URTDSM and SCADA upgradation, all the substations of POWERGRID, Central Generating stations and important station of States are being connected on Fiber Optic network. During 2014-15 around 10000 kms. of OPGW network has been established to connect additional sub-stations, power plants and provide redundant path also. This shall ensure availability of required bandwidth for various applications being provided at SLDCs, RLDCs and NLDC for grid operations. Laying of fibers shall also facilitate reliable operation of National Transmission & Asset Management Centre (NTAMC) and help in expansion of telecom business.

- **Efforts in improving power quality & stability:**

- SVC & STATCOM: To improve power quality and stability, POWERGRID is deploying STATIC VAR COMPENSATOR (SVC) & STATCOM at various locations. Presently 3 numbers of SVC & 3 numbers of STATCOM are under construction and others are at different stages of procurement.
- Network expansion has caused increased fault levels across India and in certain pockets due to interconnections & generation concentration. To control these fault levels, POWERGRID is employing series Reactors both in lines and in buses. The various studies are underway and necessary steps are being taken up for implementation of series reactors in Delhi NCR.

Thrust on Sustainable Development

Your Company is fully conscious to conserve natural resources and avoid environmental sensitive areas as far as possible through implementation of ESPP. Key initiatives taken by POWERGRID towards sustainable development are technological initiatives for conservation of precious RoW, rain water harvesting system which is now an integral part of every new substation design, installation of LED bulbs, solar lights, fuel catalysts devices for DG sets, Waste Paper Recycling Plant etc.

POWERGRID's efforts to reduce Carbon footprint through reusing the waste paper are successful and we are producing enough in house recycled paper for use of office stationery like letterheads, writing pads, visiting cards, envelopes etc. This has resulted in reduction in use/ procurement of fresh paper and will save tree cutting.

Recognising the need for high penetration of renewable resource sustainability, as well as to address the challenges, your company has developed comprehensive solution through formulation of "Green Energy Corridors" Reports. Your Company has started implementation of Green Energy Corridors to facilitate grid integration of renewable generation capacity addition in Twelfth Five Year Plan across India. The implementation covers construction of inter-state transmission systems and mitigating measures for grid interconnection of variable & intermittent renewable energy sources by using control infrastructure like forecasting tool for renewable generation, establishment of renewable energy management centers, provisions for flexible generation, energy storage, smart grid applications like demand side management & demand response etc.

Your Company has also started planning & implementation of comprehensive plans to evacuate power from various solar parks being developed aggregating about 20,000 MW.

Tariff-based Competitive Bidding Regime

Till date POWERGRID emerged as successful Bidder and acquired eight transmission projects viz. POWERGRID NM Transmission Limited, POWERGRID Vemagiri Transmission Limited, POWERGRID Vizag Transmission Limited, POWERGRID Unchahar Transmission Limited, POWERGRID KALA AMB Transmission Limited, POWERGRID Jabalpur Transmission Limited, POWERGRID Warora Transmission Limited and POWERGRID Parli Transmission Limited. All projects are under various stages of implementation except for Transmission System associated with IPPs of Vemagiri area which has not been taken up pursuant to the CERC order dated 27.09.2013.

Risk Management Procedure

For the purpose of evaluating and managing the uncertainties the enterprise faces, Enterprise Risk Management framework has been implemented in POWERGRID. The framework is a structured, consistent and continuous process for identification, assessment, monitoring and management of risks. As per this framework, the significant business processes / risks are monitored and controlled through various Key Performance Indicators (KPIs). A Board level Risk Management Committee reviews these KPIs on regular basis and provides updates to the Audit Committee / Board.

As on 31st March, 2015, the Risk Management Committee comprised of two Directors and two Non-official Part-time Directors.

In addition to risk & challenges mentioned above, the following risks involved in execution of our projects and their mitigation are:

- **Synchronization Risk with Generation Projects**

There could always be a gap in the commissioning of generation units vis-à-vis the associated transmission system and there might be delays in the materialisation of some of the generation projects.

To mitigate the same, the Agreements are being signed with the Generators by your Company to share and bear the applicable Interest during Construction (IDC). Further, Tariff Regulations 2014 provides payment of transmission charges or IDC as decided by CERC from the date of actual commissioning of transmission system irrespective of commissioning of Generating Units. Subsequently, on commissioning of generating units firmed up Beneficiaries pay transmission charges in accordance with relevant Regulation.

- **Revenue Risk**

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 which came into effect from 01.07.2011, provides for computation of Point of Connection (PoC) charges and losses by introducing new methodology for sharing of transmission charges. However, States viz. Bihar, Odisha, West Bengal, Maharashtra and Jharkhand had challenged the aforesaid sharing methodology in the court of law and final decision is awaited. In terms of interim order of the Delhi High Court, all the above States are however making payment as per said Regulation, but under protest.

CERC Tariff Regulations allow payment against monthly bills towards transmission charges within a period of 60 days from the date of bills and levying of Surcharge @ 18% per annum on delayed payment beyond 60 days. Further, graded rebate is also provided in case of payment is made within 60 days. Most of the utilities are availing 60 days allowable period for clearing their dues. During the FY 2014-15, collection efficiency has been very good and appropriate actions for realization of dues were taken by the company against defaulting utilities.

The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation, 2014 notified on 21.02.2014 came into effect for a control period of five years starting from 01.04.2014.

The following aspects of this Regulation may have impacted revenue of the Company as under:

- The increase in Benchmark availability from earlier level of 98% to 98.5% for AC system and from earlier level of 92% for HVDC bi-pole links & 95% for HVDC back-to-back station to 96% for HVDC system alongwith the cap of incentive at 99.75% have lead to minor reduction in transmission incentive during the period;
- The variations in capital expenditure on account of time and/or cost overruns on account of land acquisition have now been termed as controllable factors which may impact allowance of incidental expenditure and interest during construction; and
- The benchmark Operation and Maintenance norms for FY 2014-15 (with escalation for subsequent years under the control period) have been reduced as compared to FY 2013-14. These normative charges are formulated based on the last five years actual O&M expenditure of POWERGRID.

Notwithstanding the above, POWERGRID is taking up the aforesaid issues appropriately with CERC.

Following are the Regulations which may have positive impact:

- Increase in specified timelines for project completion will provide more opportunities to the company to avail additional 0.5% RoE for timely completion of the project/ elements of the project.
- A transmission element can now be declared under commercial operation from the next day of charging the same as against to be declared from the first day of the following month as per the previous regulations.

- **Integrated Management Policy:**

POWERGRID is committed to:

- establish and maintain an efficient and effective "National Grid" with due regard to time, cost, technology and value addition,
- sustainable development through conservation of natural resources and adopting environment friendly technology on principles of Avoidance, Minimization and Mitigation,
- ensure safe, occupational hazard free and healthy work environment,
- to the satisfaction of stakeholders in all areas of its activities and shall endeavor to improve continually its management systems and practices in conformity to legal and regulatory provisions.

- **Internal Control**

POWERGRID has a comprehensive Internal control mechanism in place to verify the Accounting and Financial Management System, adequacy of controls, material checks, financial propriety aspects and compliance implementation mechanism. The elaborate guidelines for preparation of Accounts are followed consistently for uniform compliance. In line with the provisions of Section 179 read with Rule 8 of the Companies (Meetings of Board and its Powers) Rules, 2014 the Internal Auditors were appointed by the Board of Directors. The regular and exhaustive Internal Audit on half yearly basis is carried out by the experienced Cost / Chartered Accountant Firms in close co-ordination

with Company's own Internal Audit department to ensure that all checks and balances are in place and all internal controls/systems are in order. The Corporate Internal Audit Department also carryout System Audit and Management Audit to reassure the effectiveness of internal control mechanism. The scope and authority of the Internal Auditor is derived from the Internal Audit Plan approved by the Audit Committee.

As on 31st March, 2015, the Company had an Audit Committee in place as per clause 49 of the Listing Agreement, which had three Independent Directors and one Non-official Part-time Director. The Audit Committee meets at regular intervals and is informed of compliance with internal control mechanism. The significant / material audit findings are placed before the Audit Committee for review, discussion and subsequent action.

Financial Discussion and Analysis

Comparison of Fiscal 2015 to Fiscal 2014

Your company's total income in Fiscal 2015 was ₹17,780.04 crore, which represented an increase of 13.09% over the total income of ₹15,721.41crore in Fiscal 2014. In Fiscal 2015, transmission and transmission-related activities constituted 92.92% of our total income, with the balance coming from our consultancy, telecommunication business and other incomes.

Income

Revenue from Operations

(₹ in Crore)

Revenue from Operations	Fiscal 2015	Fiscal 2014
Revenue from transmission charges	16521.74	14327.59*
Consultancy- Project Management & Supervision		
(i) Sale of Services	380.60	332.48
(ii) Sale of Products	-	294.07
Revenue from telecom	274.89	276.14
Total	17,177.23	15,230.28

*Includes STOA charges of ₹203.64 Crore for Fiscal 2014.

Income on account of Transmission Charges for the year has been provisionally recognized based on "CERC (Terms and conditions of tariff) Regulations 2014" pending issuance of final tariff orders (wherever tariff petitions have been filed) and filing of tariff petitions in certain cases for the block period 2014-19. However beneficiaries are being billed as follows:

- In respect of the assets commissioned prior to 31.03.2014, in accordance with the tariff approved and applicable as on 31.03.2014 as provided in CERC (Terms and Conditions of Tariff) Regulations, 2014.
- In respect of assets commissioned after 31.03.2014 up to 90% of the tariff claimed wherever provisional orders have been issued by the CERC.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Tariff norms

Our charges for transmission customers are governed by tariff norms determined by the Central Electricity Regulatory Commission ("CERC") pursuant to central government tariff policy and legislation. As per the Tariff Policy issued by GoI on 6th January, 2006, Central Electricity Regulatory Commission (CERC) shall be guided by the Tariff Policy while specifying the terms and conditions for the determination of tariff. The CERC has vide its notification dated 21st February, 2014 notified the tariff regulations applicable for transmission system including communication system used for inter-state transmission of electricity for the tariff Block 2014-19 which shall remain in force from 01.04.2014 to 31.03.2019. Under the tariff regulations applicable for the tariff Block 2014-19, we are permitted to charge our customers transmission charges for recovery of annual fixed cost ("AFC") consisting of components - return on equity, interest on outstanding debt, depreciation, operation & maintenance expenditure and interest on working capital.

The Return on equity is computed on pre-tax basis by grossing up the base rate of return on equity of 15.5% at the effective tax rate of the respective financial year. In case of projects commissioned on or after 1st April, 2014, an additional Return on Equity (ROE) of 0.5% will be allowed if such projects are completed within the timeline specified under the CERC tariff regulations for the Block 2014-19. However, additional ROE of 0.5% will not be admissible for transmission line having length of less than 50 kilometers. The rate of ROE may be reduced by 1% for such period as may be decided by CERC if any transmission system is declared under commercial operation without commissioning of data telemetry, communication system up to load dispatch centre or protection system.

The repayment of loan capital for the year of the tariff period 2014-19 is deemed to be equal to the depreciation allowed for that year. Despite any moratorium period availed by your company, the repayment of loan is considered for tariff from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.



For interest on working capital, the working capital amount is calculated as - (i) consisting of receivables equivalent to two months of fixed cost; (ii) maintenance spares @ 15% of operation and maintenance expenses; and (iii) operation and maintenance expenses for one month. Rate of interest on working capital for the year is on normative basis and is equal to the Base Rate plus 350 basis points of State Bank of India (Bank Rate) as on 1.4.2014 or as on 1st April of the year in which the transmission system, is declared under commercial operation, during the tariff period 2014-15 to 2018-19 whichever is later.

Under the tariff norms prescribed by CERC for the tariff Block 2014-2019, recovery of transmission charge is permitted to your company on the achievement of the operational norms of 98% for AC system and 95% for HVDC system. An incentive is also allowed if the availability of our transmission network is above 98.5% and upto 99.75% in respect of AC systems, and above 96% and upto 99.75% in respect of HVDC systems and penalized if the availability of our network is below 98% or 95% respectively. The Availability Incentives are linked with monthly transmission charges.

The sharing of transmission charges by Beneficiaries are governed by Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses in inter-state Transmission System) Regulations, 2010 issued by CERC.

The tariff regulations applicable for the Tariff Block 2014-19 provides that :

- the specified timeline for completion of projects have been increased by 06 months for various categories by CERC;
- the rate of escalation in O&M charges on year to year basis for the Tariff Block 2009-14 was 5.72% and the same has been considered as 3.32% introducing Compound Annual Growth Rate (CAGR) concept for the first time.

Foreign Exchange Rate Variation

Your company under the tariff regulations for the block 2014-19 has an option to hedge foreign exchange exposure in respect of the interest on foreign currency loan and repayment of foreign loan acquired for the transmission system, in part or full and recover the cost of hedging of foreign exchange rate variation corresponding to the normative foreign debt, in the relevant year.

If hedging of the foreign exchange exposure is not undertaken, the extra rupee liability towards interest payment and loan repayment corresponding to the normative foreign currency loan in the relevant year is permissible provided it is not attributable to the generating company or the transmission licensee or its suppliers or contractors. During the financial year 2014-15, no hedging for foreign exchange exposure has been undertaken by your company.

As per Regulations on Sharing of Inter-State Transmission Charges & Losses, 2010 which came into force from 01.07.2011, POWERGRID, as CTU, is performing the activity of Billing, Collection and Disbursement (BCD) on behalf of all the ISTS licensees and also certain non-ISTS licensees whose lines have been certified by RPCs to be used as ISTS.

Revenue from Other Services

Your company also earns revenue from consultancy (including project management and supervision services) and telecommunication business. Our consultancy income mainly consists of fee from the RGGVY works, the execution of transmission- and communication system-related projects on a turnkey basis and technical consulting assignments for Indian state utilities, joint venture companies and utilities in other countries. The income from Consultancy business against sale of services in the Fiscal 2015 was ₹380.60crore as against ₹332.48 crore in the Fiscal 2014, a increase of 14.47%. The income from consultancy business against sale of products in the Fiscal 2015 was nil as against ₹294.07 crore in Fiscal 2014. This is due to completion of Myanmar Project during Fiscal 2014.

The revenue from our telecommunication business is mainly on account of leasing bandwidth of our fibre-optic lines. There was a marginal decrease in Telecom revenue by 0.45% in Fiscal 2015 from ₹276.14 Crore to ₹274.89Crore.

Other Income

Your company's other income was ₹602.81 crore in Fiscal 2015, an increase of 22.74% over the other income of ₹491.13 crore in Fiscal 2014.

(₹ in Crore)

Other Income	Fiscal 2015	Fiscal 2014
Dividend –Subsidiary and Others	97.77	89.01
Interest income – bonds and long term advances	31.06	47.94
Interest income – banks	229.22	132.27
Interest income – others	15.30	14.57
Profit on sale of fixed assets	1.90	0.10
Deferred income (transfers from grants in aid)	21.95	21.96
Transfer from insurance reserves on a/c of loss of fixed assets	20.21	5.83
Lease income from State Sector ULDC	37.18	38.84

Surcharge on late payment from customers	65.95	74.51
FERV gain	12.46	-
Miscellaneous income	64.31	60.85
Provision written back	5.50	5.25
Total other income	602.81	491.13

The other income increased mainly because there had been increase in interest on bank, increase in dividend received from Joint Venture Companies.

Expenses have been categorized as- (i) Employees' benefits expense, (ii) Finance Costs, (iii) Depreciation and amortization expense, (iv) Transmission, Administration and Other Expenses and (v) Purchase of Stock in trade.

Your company's total expenditure were ₹11,490.66 crore in Fiscal 2015, an increase of 21.50% over the total expenditures of ₹9,457.66 crore in Fiscal 2014. The total expenditures as a percentage of total income were 64.63 % in Fiscal 2015 compared to 60.16 % in Fiscal 2014.

Employees' benefits expense

Employees' remuneration and benefits expenses include salaries and wages, incentives, allowances, benefits, contributions to provident and other funds and welfare expenses.

Your company had 8,902 employees on our payroll as of March 31, 2015, compared to 9,154 employees as of March 31, 2014, a decrease by 2.75% mainly due to separation (completion of tenure/resignation) of employees. Employees' remuneration and other benefits increased by 8.70% to ₹1023.65 Crore in Fiscal 2015 from ₹941.68 Crore in Fiscal 2014. The increase is due to an increase in Dearness allowance, superannuation benefits and normal increments as well as higher commissioning of assets.

Finance Cost

Finance cost increased by 25.63% to ₹3,979.32 crore in Fiscal 2015 from ₹3,167.52 crore in Fiscal 2014. The increase was mainly due to commissioning of new Transmission Assets worth ₹21,761 crore, interest on which were earlier capitalized but now treated as operating expenditure.

These charges include guarantee fee of ₹167.43 crore (previous year ₹148.03 crore) (net of IEDC) payable to the GoI for giving guarantees to the lenders of our foreign currency loans.

Depreciation and Amortisation Expenses

Your company's depreciation increased by about 27.27% to ₹5,085.41 crore in Fiscal 2015 from ₹3,995.68 crore in Fiscal 2014. The increase was mainly because of the commissioning of new transmission assets worth ₹ 21,761 crore and full-year impact in Fiscal 2015 of transmission assets ₹15,904 crore which were commissioned during Fiscal 2014.

The depreciation has been applied considering the technical life of each depreciable asset class as prescribed by CERC viz. transmission lines – 35 years and substations – 25 years on straight line method.

Depreciation on assets of telecom and consulting business is provided for on straight line method as per useful life specified in schedule-II of the Companies Act, 2013. ULDC assets commissioned prior to 1st April, 2014 are depreciated on straight line method@ 6.67% per annum.

Transmission, Administration and Other Expenses

Transmission, administration and other expenses consist primarily of costs of the repair and maintenance of buildings, plant and machinery and power charges. Other items in this category include expenditures for travel, security, vehicle hire charges, insurance and rent rates & taxes on our properties.

Transmission, administration and other expenses increased by 21.77% to ₹1,355.16 crore in Fiscal 2015 from ₹1,112.86 crore in Fiscal 2014. The increase is on account of the increase in Gross Block (tangible and intangible assets) by ₹21,761 crore added at various points of time during Fiscal 2015 and full year impact of assets added in Gross Block during Fiscal 2014 as certain expenses that were earlier being capitalized during the construction of the project are now treated as an operating expense subsequent to the commissioning of the project.

Profit before Tax

Your company's profit before tax in Fiscal 2015 was ₹6,289.38 crore, an increase of 0.41% over our profit before tax of ₹6,263.75 crore in Fiscal 2014.

Provision for Tax

In Fiscal 2015, we provided for ₹1,280.99 crore of Minimum Alternate Tax, compared to ₹1,274.13 crore in Fiscal 2014. The increase was primarily due to increase in Profit before tax in Fiscal 2014.

Provision for deferred tax is made in respect of timing difference mainly on account of higher depreciation charge available under income tax provisions.



The tariff norms for the block period 2014-19 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2015 on the transmission income is accounted as 'Deferred Tax Assets against Deferred Tax liability'. Deferred Tax Assets against Deferred Tax liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax.

Profit after Tax

Your company's Profit after Tax in Fiscal 2015 was ₹4,979.17 crore, an increase of 10.71 % over our Profit after Tax of ₹4,497.42 crore in Fiscal 2014.

LIQUIDITY AND CAPITAL RESOURCES

Your company depends on both internal and external sources of liquidity to provide working capital and to fund capital requirements. Historically, the capital expenditures have been funded with internally generated funds, grants and equity contributions by the Government and debt financing. As at March 31, 2015, your company had cash and cash equivalents of ₹2,062.98 crore. As at March 31, 2015, we also had unutilized Bank Guarantees limits of approximately ₹313.60 crore for capital requirements and committed and undrawn cash credit facilities of approximately ₹300 crore ("cash credit") towards our working capital facilities.

Cash Flows

(₹ in Crore)

	Year ended March 31,	
	2015	2014
Net cash from operating activities	15,041.77	15,399.44
Net cash (used in) investment activities	(23,843.45)	(26,517.74)
Net cash from Financing activities	6,447.14	13,873.85
Cash and cash equivalents at the end of the year	2,062.98	4,417.52

Net Cash from Operating Activities

Your company's net cash flows from operating activities are principally used to service long-term debt, for capital expenditures, for investments and for payment of dividend.

The net cash from operating activities was ₹15,041.77 crore in Fiscal 2015 as against ₹15,399.44 crore in Fiscal 2014.

Net Cash (used in) Investment Activities

Your company's net cash used in investing activities was ₹23,843.45 crore in Fiscal 2015 as against ₹26,517.74 crore in Fiscal 2014. This primarily reflected expenditures on fixed assets and capital work-in-progress as well as construction stores of ₹24,242.48 crore, receipt of interest and dividend income of ₹435.40 crore & loan given to subsidiaries of ₹229.70 crore.

Net Cash from Financing Activities

In Fiscal 2015, your company's net cash flow from financing activities was ₹6,447.14 crore as against ₹13,873.85 crore in Fiscal 2014. Your company raised ₹17,756.54 crore of new borrowings. These borrowings included principally Rupee denominated bonds and foreign currency borrowings. The company repaid ₹6,398.68 crore of borrowings and paid interest and finance charges of ₹3,678.70 crore. In the Fiscal 2015, we paid dividends of ₹1,046.32 crore comprising final dividend for Fiscal 2014 and an interim dividend for Fiscal 2015. The dividend for the financial year 2014-15 (including proposed final dividend @13.10%) is ₹1046.32 crore. The dividend payout works to 21.01% of PAT.

Capital Expenditures

Your company's capital expenditure are primarily for the installation of new transmission capacity and the expansion of existing capacity. Our capital expenditure in Fiscal 2015 and Fiscal 2014, were ₹22,456 crore and ₹23,158 crore, respectively.

Return on Equity

The return on equity that we were generally permitted in Fiscal 2015 on transmission assets under our tariffs has been 15.5%. Our actual Return on Equity from period to period across our entire business in Fiscal 2015 is 13.09% as against 13.07% in Fiscal 2014.

Selected Balance Sheet Items

Fixed Assets

Your company's total fixed assets (Net Block) were ₹1,29,568.40 crore and ₹1,05,005.48 crore as at March 31, 2015 and March 31, 2014, respectively. Fixed assets have been categorized as– (i) Tangible Assets; (ii) Intangible assets; (iii) Capital work in progress; and (iv) Intangible assets under development.

(i) Tangible assets

Our Tangible Assets consist of plant and machinery such as transmission lines, substations, HVDC and ULDC equipment and other transmission equipment; buildings; land; office equipment; fixtures; and motor vehicles. Tangible Assets value (Net Block) increased from ₹72,501.95 crore in Fiscal 2014 to ₹88,902.51 crore in Fiscal 2015, an increase by 22.62%. These increases are mainly due to the commissioning of new transmission assets.

(ii) Intangible assets

Our Intangible Assets consist of Electronic Data Processing Software and Right of Way-Afforestation Expenses. The value of unamortized Intangible assets increased from ₹652.12 crore in Fiscal 2014 to ₹783.70 crore in Fiscal 2015, an increase by 20.18%.

(iii) Capital work in progress

Your company's capital work-in-progress was ₹39,670.90 crore and ₹31,502.41 crore, as at March 31, 2015 and 2014, respectively, an increase of 25.93%. The cost of materials consumed, erection charges and other expenses incurred for the implementation of projects are shown on the balance sheet as capital work-in-progress, pending capitalization of the completed project. The change in this amount is due to capitalization of a number of transmission projects on commissioning of these projects and due to undertaking of new transmission projects.

During the Year, material for construction of Substations (including HVDC) is being transferred to Capital Work in Progress (CWIP) during the progress of erection work as against earlier practice of transferring the same on the completion of erection work. The change of practice has resulted in increase in CWIP amount by ₹234.43 Crore with corresponding reduction in Construction Stores.

(iv) Intangible assets under development

Afforestation Expenses incurred in relation to the implementation of projects (pending capitalization) are shown on the balance sheet as Intangible assets under development. The value of Intangible assets under development was ₹211.29 crore and ₹349.00 crore, as at March 31, 2015 and 2014, respectively.

Construction stores

Construction stores were ₹13,041.96 crore and ₹17,625.30 crore as at March 31, 2015 and 2014, respectively. These amounts represent capital expenditure on the new as well as ongoing transmission projects. The decrease is mainly due to the capitalisation of no. of new transmission projects.

Investments

Investments have been classified into current and non-current categories. As at March 31, 2015, the Non-current Investments and Current Investments were ₹740.99 crore and ₹185.43 crore as against ₹814.33 crore and ₹184.35 crore, respectively as at March 31, 2014. Investments under 'Current' category are those which are realizable or intended to be realizable within 12 months after the reporting date. Your company's Investments mainly consist of bonds issued by the SEBs as part of the One Time Settlement. We have also invested ₹12 crore in equity shares of PTC India Limited; ₹229.32 crore in Powerlinks Transmission Limited, the joint venture between us and The Tata Power Company Limited through which the Tala Transmission Project was constructed; ₹23.40 crore in Torrent Power Grid Limited; ₹78.00 crore in Jaypee Powergrid Limited; ₹70.94 crore in Parbati Koldam Transmission Company Limited; ₹41.01 crore in Teestavalley Power Transmission Limited; ₹106.96 crore in North East Transmission Company Ltd.; ₹22.50 crore in Energy Efficiency Services Ltd.; ₹23.90 crore in National High Power Test Laboratory Private Ltd; ₹4.94Crore in Cross Border Power Transmission Company Limited; ₹1 lac in Kalinga Bidyut Prasaran Nigam Private Limited; ₹10.02 crore in Bihar Grid Company Limited; ₹0.98 Crore in Power Transmission Company Nepal Limited; ₹ 109.52 crore in subsidiaries of our Company viz. ₹30.64 crore in Power System Operation Corporation Ltd; ₹24.00 crore in POWERGRID NM Transmission Ltd; ₹54.73 crore in POWERGRID Vizag Transmission Limited; & ₹0.05 crore in POWERGRID Unchahar Transmission Limited, ₹0.05 crore in POWERGRID Kala Amb Transmission Limited and ₹0.05 crore in POWERGRID Jabalpur Transmission Limited (formerly known as Vindhyaachal Jabalpur Transmission Limited) .

Loans and Advances

The loans and advances have been classified into long-term & short-term categories. As at March 31, 2015, the long-term loans & advances and short-term loans & advances were ₹4,177.89 crore and ₹566.42 crore as against ₹4,584.39 crore and ₹440.64 crore, respectively as at March 31, 2014. Long-term loans and advances include advances for capital expenditure, loans to employees, lease receivables (representing certain capital expenditures made by the company in respect of the state sector ULDCs of all five regions, for which the constituents of those regions are reimbursing the company on a finance lease basis), loans and advances to contractors, advance income tax & TDS and other deposits with tax authorities(Net of Tax provided), advances to related parties and all other loans and include advances which are not expected to be realized within next 12 months from the reporting date or within normal operating cycle whichever is longer. The decrease in loans and advances from Fiscal 2014 to Fiscal 2015 was mainly due to decrease in advances for capital expenditure.

Inventories

Inventories are valued at lower of the cost, determined on weighted average basis, and net realizable value. The costs of inventories were ₹717.75 crore, as at March 31, 2015 as against ₹712.40 crore in Fiscal 2014. Our inventories consists of transmission line items such as tower parts, conductors, insulators and other items, and substation items such as transformers, circuit breakers, ICTs and other items. The cost of our inventories increased in Fiscal 2015 as compared with Fiscal 2014, on account of your company continuing to expand the transmission network and capitalization of new projects.

Trade Receivables

Trade Receivables consist mainly of receivables relating to transmission services, and also receivables from consultancy services and telecom services. Our Trade Receivables as on March 31, 2015 and 2014 were ₹2,118.65 crore and ₹1,578.46 crore, respectively. Trade receivables increased by 34.22% in Fiscal 2015 as compared to Fiscal 2014. The reason for increase in Trade receivables was mainly due to increase in sales and increase in dues of J & K.

Substantially, all of our receivables are covered by letters of credit, following which we have no material debt collection problems.

**Other Current Assets**

Our other current assets as at March 31, 2015 and 2014 respectively, were ₹2,278.87 crore and ₹1,735.63 crore. Other current assets increased by 31.30% in Fiscal 2015 as compared to Fiscal 2014, mainly due to increase in monthly bill and non availability of CERC Tariff Orders for some of the assets commissioned during Fiscal, 2015.

The comparison of actuals with Financial MOU targets is given below:-

(₹ in Crore)

MOU Parameters	Actual 2014-15	MOU 2014-15
Sales Turnover (₹ crore)	17,177	17,280
Gross operating Margin (₹ crore)	14,843	14,944
PAT/Net worth (%)	13.09	11.83
PAT per Employee (₹ Lakh)	52.97	46.81

Indebtedness

We rely on both Rupee and foreign currency denominated borrowings. A significant part of our external funding has been through long-term foreign currency loans from multilateral agencies such as the World Bank and the Asian Development Bank, with our performance under such loans guaranteed by the GoI.

The following table sets forth, by currency, our outstanding debt and the periods during which debt amounts mature or payment is otherwise due. Currency conversions are as of 31st March, 2015:

(₹ in Crore)

Rupee loan	2015-16	2016-17	2017-18	2018-19	Beyond 2019-20	Total
Bonds	2,791.71	3,446.00	3,812.48	5,211.98	42,591.49	57,853.66
Other Domestic Loans	101.72	454.22	454.00	454.00	6,238.00	7,701.94
Foreign Currency Loans						
US\$	1,489.18	1,609.40	1,408.20	1,483.80	20,044.24	26,034.82
EUR	13.60	31.70	32.70	32.70	186.42	297.12
SEK	62.90	208.80	202.40	202.40	1165.47	1841.97
JPY	9.60	9.60	9.60	9.60	76.64	115.04
Total	4,468.71	5,759.72	5,919.38	7,394.48	70,302.26	93,844.55

Long-term borrowings

Your company's Long-term borrowings (excluding current maturities) as at March 31, 2015 and 2014 were ₹89,375.84 crore and ₹76,790.22 crore, respectively. Long-term borrowings include amounts raised from our private placement of bonds, term loans from banks, loans from the International Bank for Reconstruction and Development, Asian Development Bank and Bank of India, Cayman Islands and other Foreign Financial Institutions. Due to the increased investment in new projects during the last year, our borrowings have increased substantially.

Secured Loans

Our secured loans (excluding current maturities of long term loans) as at March 31, 2015 and 2014 were ₹84,554.04 crore and ₹72,429.45 crore, respectively. Most of these loans have been secured by floating charges on the moveable and immoveable properties of the Company. The following table presents the secured debt as at 31st March, 2015:

(₹ in Crore)

	Amount (₹ in crore)	% of total secured debt
Bonds denominated in Rupees	55,061.95	65.12
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency*	21,891.87	25.89
Denominated in Rupees	7,600.22	8.99
Total	84,554.04	100

Unsecured Loans

Our unsecured loans (excluding current maturities as at March 31, 2015 and 2014 were ₹4,821.80 crore and ₹4,360.77 crore respectively, which consist of (ten year) foreign currency bonds, loans from foreign financial institutions such as the Natixis (Formerly Credit National) in France, Japan International Cooperation Agency (Formerly Japan Bank for International Co-operation) in Japan, Skandinaviska Enskilda Banken AB(publ) in Sweden and AB Svensk Exportkredit, Sweden.

The following table presents our unsecured debt as at March 31, 2015:

(₹ in Crore)

	Amount (₹ in crore)	% of total unsecured debt
Bonds denominated in Foreign Currency	3,159.50	65.53
Other Loans and Advances From Banks and Financial Institutions:		
Denominated in Foreign Currency*	1,662.30	34.47
Denominated in Rupees	-	-
Total	4,821.80	100

Advance Against Depreciation (AAD)

Advance against depreciation (AAD) is a component of tariff that we were permitted to charge under CERC regulations for the Block 2004-09, to cover shortfall in respect of depreciation in a year on assets, for repayment of debts. AAD was done away with in the tariff block 2009-2014 and depreciation rate were reworked. Due to change in these tariff norms and the depreciation rates w.e.f. 01.04.2009, the outstanding AAD has been taken to transmission income after 12 years from the date of commercial operation to the extent the depreciation charged in respect of transmission system is more than the depreciation recovery under tariff. As on 31st March, 2015, our AAD has decreased by 3.94% from ₹2,018.07 crore in Fiscal 2014 to ₹ 1938.57 crore in Fiscal 2015.

Current liabilities

Your company's current liabilities as at 31st March, 2015 were ₹21,845.28 crore (previous year ₹19,517.13crore). The current liabilities include short-term borrowings, Trade payables, short term provisions and other current liabilities. Current liabilities at March 31, 2015 were 11.93% higher as compared to March 31, 2014. The increase is mainly due to increase in other current liabilities from ₹15,520.04 crore in Fiscal 2014 to ₹19,040.36 crore Fiscal 2015 consists of current maturities of long term borrowings and Deposit/Retention money for contractors and others and advances for customers.

Contingent Liabilities

The following table sets forth the principal components of our Contingent Liabilities as at March 31, 2015 and 2014:

Contingent Liabilities Description	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
Claims against the Company not acknowledged as debt in respect of		
Capital Works	219.14	211.73
Land Compensation cases	2253.11	2393.45
Other Claims-	44.09	5.80
Disputed Tax Matters- Income Tax/Sales Tax/Excise	391.22	474.74
Others	303.56	778.54
Bank Guarantee given on behalf of wholly owned subsidiaries of POWERGRID towards performance of the work awarded for-		
- POWERGRID NM Transmission Ltd.	45.00	45.00
- POWERGRID Vizag Transmission Ltd.	45.00	45.00
- POWERGRID Unchahar Transmission Ltd.	5.40	5.40
- POWERGRID Kala Amb Transmission Ltd.	5.96	-
- POWERGRID Jabalpur Transmission Ltd.	31.50	-
	132.86	95.40
Total	3,343.98	3,959.66

Contingent liabilities decreased by 15.55% in Fiscal 2015 compared to Fiscal 2014. This decrease was mainly on account of- (i) disputed Tax matters (Income tax / Sales tax/ Excise / Municipal tax) pending & being contested before various Appellate Authorities. Many of these matters have been disposed off in favour of the Company but are disputed before higher authorities by concerned departments; (ii) Land compensation cases and (iii) other contingent liabilities.

BUSINESS AND FINANCIAL REVIEW OF JOINT VENTURE COMPANIES and SUBSIDIARIES:

JOINT VENTURE COMPANIES:

A) Powerlinks Transmission Limited (POWERLINKS):

Main Objective and Capital Structure

POWERGRID and TATA POWER are the Joint Venture Partners in this Joint Venture Company and hold 49% and 51% equity, respectively. The Company was incorporated to undertake the implementation of Transmission Lines associated with Tala HEP, East-North interconnector and Northern Region Transmission System from Siliguri in West Bengal via Bihar to Uttar Pradesh and was the first public - private partnership in Power Transmission. POWERLINKS had progressively commissioned the project in August, 2006 and it is under commercial operation since 1st September, 2006. The Project has been implemented on Debt: Equity ratio of 70:30. As on 31.03.2015, POWERLINKS



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has Authorized share capital of ₹4,83,60,00,000/- and paid-up capital of ₹4,68,00,00,000/- out of which POWERGRID holds Shares of ₹229.32crore and TATA POWER hold shares of ₹238.68crore. POWERLINKS has paid interim dividend of 17% amounting to ₹38.98 crore for Fiscal 2015.

Financial Highlights of the Company:

(₹ in Crore)

Particulars	Fiscal 2015	Fiscal 2014
POWERGRID's investment in Equity	229.32	229.32
Gross Income	257.98	268.98
Profit after Tax	112.11	112.90
Earning per Share*	2.40	2.41

*Face value per Share is ₹10 each.

B) JAYPEE POWERGRID Limited (JPL):

Main Objective and Capital Structure

The main objective of the Company was to implement a transmission system to evacuate power generated by 1000 MW Karcham Wangtoo Hydro Electric Power Project in Kinnaur District in Himachal Pradesh, from Wangtoo to Abdullapur. The Project has been implemented on Debt :Equity ratio of 70:30. As on 31.03.2015, JPL has Authorized share capital of ₹300 crore and paid-up capital of ₹300 crore divided into 30,00,00,000 equity shares of ₹10 each, POWERGRID equity being ₹78 crore. Jaiprakash Power Ventures Limited and POWERGRID individually hold 74% and 26%, respectively as on 31.03.2015. The project was progressively commissioned in April,2012. JPL has paid a total dividend of 13% amounting to ₹10.14 crore for Fiscal 2015.

Financial Highlights of the Company:

(₹ in Crore)

Particulars	Fiscal 2015	Fiscal 2014
POWERGRID's investment in equity	78.00	78.00
Gross Income	199.98	199.94
Profit /(loss)after Tax	68.33	53.78
Earning per Share*	2.28	1.79

*Face value per Share is ₹10 each.

C) Torrent Powergrid Limited (TPL):

Main Objective and Capital Structure

The main objective of the Company was to establish transmission system associated with 1100MW Gas Based project (Sugen) Generation Station of Torrent Power Ltd. (TPL) at Akhakhhol in Surat District of Gujarat. POWERGRID and Torrent Power Ltd. are the Joint Venture Partners in this Company and hold 26% and 74% equity, respectively, POWERGRID equity being ₹23.40 crore. The Project has been implemented on Debt: Equity ratio of 70:30. As on 31.03.2015, TPL has Authorized share capital of ₹125.00 crore and paid-up capital of ₹90.00 crore. The project was progressively commissioned in March, 2011 and it is in operation. TPL has paid interim dividend of 7% amounting to ₹1.64 crore for Fiscal 2015 and the Board has recommended a further final dividend of 5.5% for Fiscal 2015.

Financial Highlights of the Company:

(₹ in Crore)

Particulars	Fiscal 2015	Fiscal 2014
POWERGRID's investment in Equity	23.40	23.40
Gross Income	60.15	60.99
Profit after Tax	13.90	11.68
Earning per Share*	1.55	1.30

*Face value per Share is ₹10 each.

D) North East Transmission Company Ltd.(NETC):

POWERGRID entered into a Joint Venture Agreement in February, 2009 with ONGC Tripura Power Project Company Ltd. (OPTC), Government

of Tripura, Manipur, Mizoram, Assam Electricity Grid Corporation Ltd, Meghalaya and Nagaland for establishment of Transmission Line of 400kV D/C Palatana- Silchar Bongaigoan Transmission Project associated with 726.6 MW Palatana Gas base Power Project in the state of Tripura. The Joint Venture Company is named 'North East Transmission Company Limited'. OTC, the generating Company is a joint venture of ONGC Ltd., Government of Tripura and Infrastructure Leasing & Finance Services Ltd., (IL&FS Ltd.). The Project has been implemented on Debt: Equity ratio of 80:20. As on 31.03.2015, NETCL has Authorized capital of ₹600.00 crore and paid-up share capital of ₹411.4 crore, POWERGRID equity being ₹106.96 crore. The project was progressively commissioned in Feb'2015. NETCL has paid maiden dividend (Interim) of 20% amounting to ₹21.39 crore for Fiscal 2015 and the Board has recommended a further final dividend of 10% for Fiscal 2015.

E) Parbati Koldam Transmission Company Limited (PKTCL):

POWERGRID entered into a Joint Venture Agreement on 23rd November, 2007 with Reliance Energy Limited (REL) now Reliance Infrastructure Ltd, for implementation of transmission lines associated with Parbati-II (800 MW) HEP and Koldam (800 MW) HEP. The Company named 'Parbati Koldam Transmission Company Limited' took up implementation of Parbati and Koldam Transmission systems through Joint venture route and got the Transmission License in September, 2008. The Project is being implemented on Debt :Equity ratio of 70:30. As on 31.03.2015, PKTCL has Authorized share capital of ₹331.00 crore and paid-up capital of ₹272.82 crore, POWERGRID equity being ₹70.94 crore. Major portion of the Project was commissioned progressively in Oct'2014.

Financial Highlights of the Company:

(₹ in Crore)

Particulars	Fiscal 2015	Fiscal 2014
POWERGRID's investment in Equity	70.94	56.23
Gross Income	75.79	1.18
Profit after Tax	4.16	(0.15)
Earning per Share*	0.16	(0.01)

*Face value per Share is ₹10 each.

F) Teestavalley Power Transmission Limited (TPTL):

POWERGRID entered into a Joint Venture Agreement with Teesta Urja Limited on 23rd November, 2007 on 26% equity -POWERGRID and 74% equity Teesta Urja Limited (TUL) for implementation of transmission lines of Teesta-III viz. 400kV D/C line associated with 1200 MW Teesta-III Hydro Electric Power Project to Kishanganj sub-station (Karandighi) and got the Transmission Licence in Fiscal 2009. The Project is being implemented on Debt :Equity ratio of 75:25. As on 31.03.2015, TPTL has Authorized share capital of ₹275.00 crore and paid-up capital of ₹157.73 crore, POWERGRID equity being ₹41.01 crore. Since the project is under implementation, there is no operating profit.

G) National High Power Test Laboratory Private Limited (NHPTL):

POWERGRID entered into a Joint Venture Agreement in April, 2009 with equal participation with NTPC Ltd., NHPC Ltd., Central Power Research Institute (CPRI) and Damodar Valley Corporation (DVC) for setting up an On-line High Power Test Laboratory for short circuit test facility in the country. The Joint Venture Company is named 'National High Power Test Laboratory Private Limited'. Central Power Research Institute, Bangalore (CPRI) has been inducted as the Fifth equal equity partner of the Company on 24.02.2012. Thereby the equity participation of 20% each for all the JV Partners. The Project is being implemented on Debt :Equity ratio of 60:40. As on 31.03.2015, NHPTL has Authorized share capital of ₹120 crore and paid-up capital of ₹110.48 crore, POWERGRID equity being ₹23.90 crore. A fully independent, stand alone, state-of-the-art, professionally managed, international class, "On Line High Power Short Circuit Test Facility" is being established by the Company at Bina (M.P.) to provide a full range of short circuit testing for the electrical equipment manufacturing industry and power utilities in conformance to Indian and International Standards. The project is under progress. Since the project is under implementation, there is no operating profit.

H) Energy Efficiency Services Limited (EESL):

POWERGRID entered into a Joint Venture Agreement in November, 2009 with equal participation (25% equity each) with NTPC Ltd., Power Finance Corporation Ltd. and Rural Electrification Corporation Ltd. The JV Company viz. Energy Efficiency Services Limited will promote measures of Energy efficiency, Energy Conservation and Climate Change and is carrying out business related to energy audit of Govt. buildings, consultancy assignments etc. The Project is being implemented on Debt :Equity ratio of 70:30. As on 31.03.2015, the Company has Authorized share capital of ₹190.00 crore and paid up capital of ₹90.00 crore, POWERGRID equity being ₹22.50 crore.

I) Cross Border Power Transmission Company Limited (CPTCL):

POWERGRID had entered into a Joint Venture Agreement in July, 2012 with IL&FS Energy Development Company Limited (IEDCL), Satluj Jal Vidyut Nigam Limited (SJVN) & Nepal Electricity Authority (NEA) for implementation of Indian portion of the transmission line, i.e. Muzaffarpur-Sursand section on Indian side of 400kV D/C Muzaffarpur - Dhalkebar Indo-Nepal Cross Border transmission line. Equity contribution by POWERGRID, SJVN, IEDCL and NEA are 26%, 26%, 38% and 10% respectively in JVC. The estimated completed cost



of the project is ₹210.70 Crore the project is being implemented on debt:equity ratio of 80:20. As on 31.03.2015, CPTC has Authorized share capital of ₹75 crore and paid-up capital of ₹19 crore, At present POWERGRID equity being ₹ 4.94 crore. The project is under implementation.

J) Power Transmission Company Nepal Limited (PTCN):

POWERGRID had entered into a Joint Venture Agreement in April, 2014 with NEA, Hydroelectricity Investment and Development Company Ltd (HIDCL) and IEDCL for implementation of Nepalese portion of the transmission line, i.e. Dhalkebar-Bhittamod section on Nepal side of 400 k/V D/C Muzaffarpur-Dhalkebar Indo-Nepal Cross Border transmission line. Equity contribution by POWERGRID, NEA, HIDCL and IEDCL are 26%, 50%, 14% and 10% respectively in JVC. The estimated cost of the project is ₹93.9 Crore and the project has been envisaged to be implemented on Debt: Equity ratio of 70:30. As on 31.03.2015, PTCN has Authorized share capital of NPR 300million and paid-up share capital NPR 60 Million. At present POWERGRID equity being NPR 15.6 million. The Nepalese and Indian portion of the line shall facilitate exchange of power between two countries.

K) Bihar Grid Company Limited (BGCL):

POWERGRID had entered into a Shareholders' Agreement on 29.12.2012 with Bihar State Power (holding) Company Limited {BSP(H)CL} for implementation of Intra State Transmission System in the State of Bihar on 50:50 equity participation basis. The Company is implementing Bihar Transmission System Strengthening Schemes in Phase IV, Part I worth ₹1699 Crore. The company has been granted transmission license by BERC in June, 2013. The project is being implemented on Debt :Equity ratio of 80:20. As on 31.03.2015, the Company paid up capital of ₹20.05 crore, POWERGRID equity being ₹10.025 crore. Since the project is under implementation, there is no operating profit.

L) Kalinga Bidyut Prasaran Nigam Private Limited (KBPNL):

POWERGRID had entered into a Shareholders' Agreement on 04.01.2013 with OPTCL for implementation of Intra State Transmission System in the State of Odisha on the basis of 50:50 equity participation. The company has been granted transmission license for Phase-I Project (worth ₹599.50 Crore) by OERC. Pending Notification of Multi Year Tariff for Phase-I Project and grant of Transmission License for Phase-II Project by OERC, implementation of Phase-I Project has not been taken up.

SUBSIDIARIES

A) Power System Operation Corporation Limited (POSOCO):

Power System Operation Corporation Ltd (POSOCO) was incorporated as a wholly owned subsidiary of POWERGRID on 20.03.2009. POSOCO, is responsible for Independent System Operation. As on 31.03.2015, POSOCO has Authorized share capital of ₹200 crore and paid-up capital of ₹30.64 crore. The company paid an interim dividend of ₹4.60 crore during the year and Board has recommended a further final dividend of ₹15.32crore for FY 2014-15.

(₹ in Crore)

Particulars	Fiscal 2015	Fiscal 2014
Gross Income	250.02	252.18
Profit after Tax	48.04	60.75
Earnings per Share*	14.97	18.45

*(in ₹ per Share Face value per Share is ₹10 each.)

B) POWERGRID NM Transmission Limited:

POWERGRID NM Transmission Company Limited (PNMTL), formerly known as Nagapattinam-Madhugiri Transmission Company Limited was acquired/taken over by POWERGRID on March 29, 2012 under Tariff Based Competitive Bidding for establishing Transmission System associated with IPPs of Nagapattinam / Cuddalore Area(Package A) from PFC Consulting Ltd (the Bid Process Co-ordinator). Consequent to such acquisition, PNMTL became the wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C and 765kV S/C is to traverse the states of Tamil Nadu and Karnataka. As on 31.03.2015, PNMTL has an Authorized share capital of ₹65.00 Crore and paid-up capital of ₹24 Crore. The company has been granted transmission license by CERC in June, 2013. The Project is under implementation.

C) POWERGRID Vemagiri Transmission Limited:

POWERGRID Vemagiri Transmission Limited, formerly known as Vemagiri Transmission System Limited was acquired /taken over by POWERGRID on April 18, 2012 under Tariff Based Competitive bidding for establishing Transmission system associated with IPPs of Vemagiri Area (Package A) from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). Consequent to such acquisition, POWERGRID Vemagiri Transmission Ltd. became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C is to traverse the state of Andhra Pradesh and Telangana. As on 31.03.2015, POWERGRID Vemagiri Transmission Ltd. has Authorized and Paid-up share capital of ₹5 Lac. CERC vide Order dated 06.04.2015 stated that Vemagiri-Khammam-Hyderabad 765 kV D/C lines under

the project is neither required as an evacuation line nor as a system strengthening line, no useful purpose will be served by adopting the transmission charges and granting license to the petitioner for the said transmission line and has withdrawn the regulatory approval for the Transmission project.

D) POWERGRID Vizag Transmission Limited:

POWERGRID VIZAG Transmission Limited (PVTL) formerly known as Vizag Transmission Limited was acquired /taken over by POWERGRID on August 30, 2013 under Tariff Based Competitive bidding for establishing Transmission system for 'System Strengthening in Southern Region for import of power from Eastern Region' from REC Transmission Projects Company Limited (the Bid Process Co-ordinator). Consequent to such acquisition, PVTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C & 400kV D/C is to traverse the state of Andhra Pradesh and Telangana. As on 31.03.2015, POWERGRID VTL has Authorized share capital of ₹90 Crore and paid-up capital of ₹54.73 Crore. The company has been granted transmission license by CERC in January, 2014. POWERGRID Vizag Transmission Limited has successfully raised an amount of ₹290 crore from domestic sources through Bond Issue at 8.90% p.a. interest repayable after 5 years. The Project is under implementation.

E) POWERGRID Unchahar Transmission Limited:

POWERGRID Unchahar Transmission System Limited (PUTL) was acquired /taken over by POWERGRID on March 24, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for ATS of Unchahar TPS on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, PUTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400 kV D/C is to traverse the state of Uttar Pradesh. As on 31.03.2015, PUTL has Authorized Share Capital of ₹5 Crore and Paid-up share capital of ₹5 Lac. The company has been granted transmission license by CERC in July, 2014.

F) POWERGRID Kala Amb Transmission Limited:

POWERGRID Kala Amb Transmission Limited (PKATL) formerly known as NRSS XXXI (A) Transmission Limited was acquired /taken over by POWERGRID on May, 12, 2014 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System for Northern Region system Strengthening Scheme, NRSS-XXXI (Part-A) on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, PKATL became wholly owned subsidiary of POWERGRID. The transmission system comprising 400/220 kV GIS substation, 400 kV D/C LILO and Series Compensation is contemplated in the state of Himachal Pradesh. As on 31.03.2015, PKATL has Authorized Share Capital of ₹5 Crore and Paid-up share capital of ₹5 Lac. The company has been granted transmission license by CERC in July, 2014.

G) POWERGRID Jabalpur Transmission Limited:

POWERGRID Jabalpur Transmission Limited (PJTL) formerly known as Vindhyaachal Jabalpur Transmission Limited was acquired /taken over by POWERGRID on February 26, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Strengthening associated with Vindhyaachal-V on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, PJTL became wholly owned subsidiary of POWERGRID. The transmission system comprising 765kV D/C transmission line is to traverse the state of Madhya Pradesh. As on 31.03.2015, PJTL has Authorized and Paid-up share capital of ₹5 Lac. Application for grant of Transmission license has been filed before CERC.

H) POWERGRID Warora Transmission Limited (Formerly Gadawara (A) Transco Limited):

Gadawara (A) Transco Limited (GATL) was acquired /taken over by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadawara STPS (2 x 800 MW) of NTPC (Part-A) on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, GATL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the states of Maharashtra and Madhya Pradesh and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Warora. As on 31.03.2015, GATL has Authorized and Paid-up share capital of ₹5 Lac. Application for grant of Transmission license has been filed before CERC.

I) POWERGRID Parli Transmission Limited (Formerly Gadawara (B) Transco Limited):

Gadawara (B) Transco Limited (GBTL) was acquired /taken over by POWERGRID on April 24, 2015 under Tariff Based Competitive bidding from REC Transmission Projects Company Limited (the Bid Process Co-ordinator) for establishment of Transmission System Associated with Gadawara STPS (2 x 800 MW) of NTPC (Part-B) on build, own, operate and maintain (BOOM) basis. Consequent to such acquisition, GBTL became wholly owned subsidiary of POWERGRID. The transmission system is contemplated in the state of Maharashtra and comprises 765kV D/C, 400kV D/C transmission lines and establishment of 2X1500 MVA 765/400 kV new substation in Parli. As on 31.03.2015, GBTL has Authorized and Paid-up share capital of ₹5 Lac. Application for grant of Transmission license has been filed before CERC.



पावरग्रिड

Consolidated financial statement of POWERGRID

The consolidated financial statements have been prepared in accordance with Accounting Standards (AS-21) 'Consolidated Financial Statements' and Accounting Standards (AS-27) 'Financial reporting of Interests in Joint Ventures' and are included in this Annual Report.

A brief summary of the results on a consolidated basis is given below:

(₹ in Crore)

Particulars	Fiscal 2015	Fiscal 2014
Gross Income	18,233.04	16,146.12
Profit before Tax	6,404.11	6,359.00
Profit after Tax	5,046.25	4,547.58
Net Cash from operating activities	15,800.08	15,222.52

Cautionary Statement

Statement in the Management Discussion and Analysis and Directors' Report describing the Company's objectives, projections and estimates, are forward-looking statements and progressive within the meaning of applicable laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government Policies and other incidental factors. Readers are cautioned not to place undue reliance on the forward looking statements.

For and on behalf of the Board of Directors

(R. N. Nayak)

Chairman & Managing Director

Place: New Delhi

Date : 10.08.2015

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

1	Corporate Identity Number (CIN) of the Company	L40101DL1989GOI038121	
2	Name of the Company	Power Grid Corporation of India Ltd	
3	Registered address	B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016	
4	Website	www.powergridindia.com	
5	E-mail id	sustainability.report@powergrid.co.in	
6	Financial Year reported	2014-15	
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Sector(s)	ITC Code No.
		Inter State Transmission System (ISTS), Central Transmission Utility (CTU) of country	99691110
		Telecom	99841100
		Consultancy & Project Management	99833244
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	i) Transmission ii) Telecom iii) Consultancy Services (Domestic / International)	
9	Total number of locations where business activity is undertaken by the Company	(i) International: POWERGRID has strong presence in Consultancy business in all facets of services of Transmission System with its International Clientele spread in eighteen countries World over. Major five include Ethiopia, Kenya, Nepal, Bhutan and Bangladesh.	
	i) Number of International Locations (Provide details of major 5) ii) Number of National Locations	(ii) National: Total 202 which includes 192 sub-stations, 9 Regional headquarters and 1 corporate office at Gurgaon. Telecom department has its points of presence in more than 350 locations spread across the country. Apart from above, a no. of substations and transmission lines are presently under construction and personnel are located on various site(s).	
10	Markets served by the Company - Local/State/National/International/	POWERGRID has footprint in all the markets-Local/State/National/International.	

Section B: Financial Details of the Company

1	Paid up Capital (INR)	5231,589,6480
2	Total Turnover (INR)	₹ 17,780.04Crore
3	Total Profit after Taxes (INR)	₹ 4,979.17Crore
4	Total Spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax(%)	During FY 2014-15, the Company has spent ₹ 47.42Crore [0.86% of average net profit of the Company for the last 3 financial years] on various CSR activities.
5	List of activities in which expenditure in 4 above has been incurred	Livelihood Generation, Skill Development programmes, Infrastructure creation for Rural Development, Education, Health, Natural Calamity, etc.

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

As on March 31, 2015, POWERGRID had seven wholly owned subsidiary Companies viz. Power System Operation Corporation Ltd. (POSO), POWERGRID NM Transmission Limited (formerly Nagapattinam-Madhugiri Transmission Company Limited), POWERGRID Vemagiri Transmission Limited (formerly Vemagiri Transmission System Limited), POWERGRID Vizag Transmission Limited (formerly Vizag Transmission Limited), POWERGRID Unchahar Transmission Limited (formerly Unchahar Transmission Limited), POWERGRID Kala Amb Transmission Limited {formerly NRSS XXXI(A) Transmission Limited} and POWERGRID Jabalpur Transmission Limited (formerly Vindhyachal Jabalpur Transmission Limited).

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Of the seven subsidiary Companies referred to in Sr. No. (1) above, only POSOCO participates in BR initiatives. The remaining six subsidiary companies are Project SPVs won under Tariff Based Competitive Bidding and are in the process of project implementation.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompass the company, its Joint Venture Company – Powerlinks Transmission Limited and relative aspects pertaining to Vendors / Suppliers / Contractors through contract conditions. Vendors /Suppliers/ Contractors are required to comply with the provisions of the labour laws, environmental laws & effectual safety plans through stipulations in the Conditions of Contract. The percentage of such Vendors' /Suppliers'/ Contractors' are more than 60%.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies

The detail of the Director responsible for implementation of the BR policy/policies is as under:

- DIN Number : 00015615
- Name : Shri I S Jha
- Designation : Director (Projects)

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Shri Atul Trivedi
3.	Designation	Executive Director(Environment & Social Management Deptt.)
4.	Telephone number	0124-2571980
5.	e-mail id	atul.trivedi@powergridindia.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted following nine areas of Business Responsibility:

P1	Business should conduct and govern themselves with ethics, Transparency and Accountability
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the wellbeing of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights
P6	Business should respect, protect, and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

S.No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?*	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify?* (50 words)	Y	Y	Y	Y	Y	Y#	NA	Y	Y
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y

6.	Indicate the link for the policy to be viewed online?	www.powergridindia.com								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency? *	Y	Y	Y	Y	Y	Y	NA	Y	Y

*Conforms to / are updated / reviewed in accordance with, the National Standards including GOI/ CVC/ DPE Guidelines, applicable laws etc

POWERGRID's ESPP is comprehensively analysed by the World Bank under its 'Use of Country System (UCS)' policy and is certified to be compliant with Bank's environmental and social safeguards requirement.

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S.No.	Questions	Principle 7- Responsible public policy advocacy
1.	The company has not understood the Principles	-
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-
3.	The company does not have financial or manpower resources available for the task	-
4.	It is planned to be done within next 6 months	-
5.	It is planned to be done within the next 1 year	-
6.	Any other reason (please specify)	POWERGRID is a member of various industrial and trade bodies and participates in these forums on issues and policy matters that impact the interest of our stakeholders. Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory Cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC. Wherever felt necessary we give our comments on various approach papers, draft regulations etc issued by CERC, other authorities.

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

3-6 months

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

POWERGRID publishes Sustainability Report biennially. POWERGRID came out with its 2nd 'Sustainability Report' in March, 2013 for the years 2009-11. The third such report for 2011-13 is under preparation and shall be released by August, 2015. Sustainability Reports are available on POWERGRID website at http://www.powergridindia.com/_layouts/PowerGrid/User/QuickLinksDetail.aspx?LangID=English&Category=Documents.

Section E: Principle-wise performance

Principle 1- Business should conduct and govern themselves with ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

POWERGRID is committed to observe transparency and consistency in all its operations. Since, POWERGRID is a designated public authority, the provisions of the Right to Information Act, 2005 are applicable on us. The Chief Public Information Officers (CPIO) at the Corporate and regional level ensure smooth access to information in a timely manner.

POWERGRID follows policies/rules relating to ethics, bribery and corruption to strengthen ethical conduct at all levels including the following:

- a) **Code of Business Ethics & Conduct:** POWERGRID has laid down two separate Code of Business Ethics & Conduct – one for Board Members and another for Senior Management Personnel (including those deputed in Subsidiaries/ Joint Ventures) in alignment with Company's Vision & Mission and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- b) **The Conduct and Discipline Appeal rules (CDA Rules):** The CDA Rules of POWERGRID define the desirable and non-desirable acts and conduct for the employees and extend to all employees working with it (including those deputed in Subsidiaries/ Joint Ventures). The aspects of Bribery and Corruption are also covered under CDA rules. There is laid procedure for actions in the case of non-compliance with the defined terms as well as for any misconduct.
- c) **Whistle Blower Policy :** Whistle Blower Policy provides a system for detection and prevention of fraud that is detected or suspected and fair dealing of matters pertaining to fraud and extends not just to all our employees but also to our Vendors defined therein to include Suppliers/ Contractors/Consultants/ Service Providers or outside agency(ies) having business dealing with the Company. This policy provides a platform to employees and Vendors for reporting fraud or suspected fraud or any other fraudulent activity without fear of retribution and help in eliminating any kind of unethical conduct in the system.

Besides, several initiatives have been taken/are being taken by POWERGRID to strengthen Integrity, transparency and fairness in its business practices which includes the following:

- (i) Well defined "Delegation of Powers" is in place delineating the powers of the top executives and below for carrying out work in systematic manner.
- (ii) POWERGRID has prepared and implemented "Works and Procurement Policy and Procedure (WPPP) for Pre-award and Post-award Stages" with a view to making the policies and procedures more systematic, transparent and easy to administer uniformly throughout its business operations with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.
- (iii) "Integrity Pact" has been signed with Transparency International which is considered as a useful tool in ensuring transparency in awarding contracts. Contracts above ₹100 Crore are also monitored by a panel of "Independent External Monitors (IEMs)".
- (iv) Manuals and Procedures are in place for Construction, Operation & Maintenance.
- (v) e-procurement mechanism for most of the project procurements has been implemented.
- (vi) e-Reverse auction mechanism is in place.
- (vii) The Project "RUPANTAR", the Enterprise Resource Planning (ERP) initiative of our Company has been implemented successfully in the year 2014-15. Presently, majority of the key processes related to business are running on ERP.
- (viii) System exists for On-line Payment of Document Fees & Submission of Soft Copy of Bid.
- (ix) After Award, summary of evaluation is posted on the website.
- (x) POWERGRID focuses on Preventive, Pro-active as well as Punitive Vigilance. However, the emphasis has been shifted from "Punitive Vigilance" to "Preventive and Pro-active Vigilance". Aiming at better transparency and to inculcate good governance within the organization, POWERGRID has taken a number of initiatives. For details, section on 'Renewed Commitment to Transparency & Vigilance Function' under Directors' Report may be referred.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? *If so, provide details thereof, in about 50 words or so.*

During the FY 2014-15, a total of 69 complaints were received from various stakeholders out of which approx. 79% of complaints have been disposed of as on March 31, 2015 and the remaining are under due process.

Principle 2 -Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Tower design in relation to Electric & Magnetic Fields(EMF)
- Compact tower design to reduce RoW and to conserve natural resource like forest/land.
- The Environmental and Social Policy & Procedures of POWERGRID (ESPP) in relation to all activities from Construction to Operation & Maintenance stage.

All the Transmission lines and Sub-stations are designed and implemented consistently complying with the Statutory laws and conforming to the National & International Standards.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
- Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

These activities are being carried out under various policies / guidelines and are implemented from time to time

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Sustainability in sourcing is enforced through the Environmental and Social Policy & Procedures (ESPP) of POWERGRID which extends to Suppliers/Contractors/Vendors through contract conditions. Vendors/ Suppliers/Contractors are required to comply with ESPP, Labour laws, Environmental laws & effectual Safety plans through stipulations in the Conditions of Contract. Contracts provide penalties to be imposed on the Vendors/ suppliers / contractors in the event of breach of the said provisions.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

We encourage participation of local vendors for certain works in & around our establishments through local competitive bidding process.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

POWERGRID's has set up a "Waste Paper Recycling" plant in the premises of our 400/220kV GIS Substation at Gurgaon having recycling capacity to handle 40-60 kgs of paper daily. The waste paper generated from the POWERGRID Corporate Office is being used as raw material. The percentage of recycling waste / used paper was about 5-10 % during the year and may be increased progressively by installing more such plants in the Regions.

Principle 3- Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

Total numbers of employees as on March 31, 2015 were 8902.

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

Total number of employees hired on contractual basis as on March 31, 2015 were 131.

3. Please indicate the Number of permanent women employees.

Number of permanent women employees as on March 31, 2015 were 593.

4. Please indicate the Number of permanent employees with disabilities

Number of permanent employees with disabilities as on March 31, 2015 were 155.

5. Do you have an employee association that is recognized by management.

Employees under the 'Workmen' category are represented through Trade Unions and the organization has recognized workmen-management forum.

6. What percentage of your permanent employees is members of this recognized employee association?

All employees under the 'Workmen' category are members of Trade Union. Workmen represent about 30% of the employee strength in POWERGRID.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

**8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Employees	% of Employees given safety & skill up-gradation training in the last year i.e. FY 2014-15
Permanent Employees	82%
Permanent Women Employees	80%
Casual/Temporary/ Contractual Employees	60%
Employees with Disabilities	81%

Principle 4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1. Has the company mapped its internal and external stakeholders? Yes/No

POWERGRID has mapped its internal and external stakeholders. We recognize Shareholders, Regulatory Authorities (GoI), Customers, Projects Affected Persons (PAPs)/Communities, Communities/persons residing around our areas of operation, Employees, Suppliers & Contractors, Research & Development Institutions, Funding Agencies and Media as our key stakeholders in economic, environment & social dimensions.

POWERGRID engages with its identified stakeholders on an ongoing basis and the prioritization of such engagement has been done considering factors like Dependency, Influence, Responsibility and Proximity. There is a structured Stakeholder Engagement Matrix which details specific engagement mechanisms including mode & frequency of engagement for each stakeholder category.

2. Of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the company has identified the disadvantaged, vulnerable & marginalized stakeholders and are broadly divided into two categories viz. Internal Stakeholders (Employees – Persons with Disabilities (PWD) / SC/ ST/ Women) and External Stakeholders {Project Affected Persons / Families (PAPs / PAFs) : Widow women headed families, SC/ST/ Persons with Disabilities (PWD) }.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

POWERGRID has taken following initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders:

- Internal Stakeholders (Employees- Persons with Disabilities (PWD)/ SC/ ST/ Women) – POWERGRID ensures diversity at workplace through efforts to recruit, develop and retain the most talented people from the pool of SC/ ST/ OBC/ Ex-servicemen/ Persons with Disabilities (PWD) candidates, in accordance with GoI directives on reservation matters. The special initiatives taken include-

A time bound mechanism for the redressal of grievances is in place as under:

- a) A Reservation Cell has been constituted at the corporate, as well as regional level to comply with GoI directives on reservation matters for SC/ST/OBC/Ex-servicemen/ Persons with Disabilities (PWD). This cell is under control of nominated liaison officer. The Liaison Officers are available on a pre-fixed day and time for interaction once in a week. Wide publicity regarding availability of the liaison officer is ensured amongst SC/ST employees. Regular meeting with SC/ST/OBC Employee's Association are conducted. 'Awareness Programme' are organized to acquaint the SC/ST/ OBC/PWD employees about the relaxations and concessions available to them under Government directives.
- b) A sexual harassment committee has been constituted to handle grievances related to the discrimination of employees on the basis of gender.

Women employees are extended certain relaxation like posting in soft locations, etc. Facilities like Ramp etc are provided to Persons with Disabilities.

- External Stakeholders {Projects Affected Persons / Families (PAPs / PAFs)- Widow women headed families, SC/ST/ Physically Handicap} - The special initiatives taken include –

- a) Rehabilitation and Resettlement (R&R) measures: Vulnerable groups like widow women headed / SC / ST/ physically handicap / disabled families who have suffered loss of land / loss of structure / loss of livelihood (wage or occupation) are considered for additional need based benefits
- b) CSR Initiatives: Our Corporate Social Responsibility (CSR) addresses the issues of Community Development (including livelihood generation, skill development programme, rural development including drinking water and sanitation, conservation of environment, education, health etc.) primarily around our areas of operations. Primary focus of the CSR intervention of POWERGRID was for inclusive development of under-privileged, vulnerable and deprived section of the society. A large number of women, girls, SC/ST/minority population were benefitted as a result of CSR initiatives. Various CSR initiatives such as construction of toilets in Govt. Schools, community centers, class rooms, public toilets, water supply arrangements, health check-up camps, infrastructure development in rural areas, development and conservation of water bodies, etc. were undertaken. Besides, several skill development initiatives by conducting training programme such as Transmission line tower erection, IT enabled services, etc have also been taken up to create income generation.

Principle 5 - Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Human Rights issues are incorporated under related policies & practices of POWERGRID which extend to the employees including those deputed in Subsidiaries/ Joint Ventures and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition.

The Conduct and Discipline Appeal rules ("CDA Rules") define the desirable and non-desirable acts and conduct for the employees (including those deputed in Subsidiaries/ Joint Ventures). There is a laid procedure for actions in case of non-compliance with the defined terms as well as any inappropriate or unwelcome sexually-determined behavior. To promote fair and equitable employment relationship, a scheme for Grievance Redressal of employees is also in place which ensures a time bound mechanism for the redressal of grievances. As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('Act') and Rules made thereunder, the Company has constituted Internal Complaints Committees (ICC).

POWERGRID also got certified to Social Accountability standard SA-8000:2008 for its human resource and labor management policies and practices. Vendors /Suppliers / contractors are required to comply with the provisions of the labour laws/ Human rights etc through stipulations in the conditions of contract. As per the Contract agreement, contractors are prohibited from subjecting their workers to forced or compulsory labour. All contractors are required to comply with various compensation and regulatory acts. All suppliers to POWERGRID have to confirm to General Conditions of Contract and SA 8000 clauses. POWERGRID takes declaration regarding Social Accountability from the bidders/contractors for compliance of all requirements of Social Accountability Standards i.e., SA8000 (latest Standard available at www.sa-intl.org), this declaration forms part of Contract Documents. Provision of penalties for non-adherence of the same are also included in the contract conditions.

POWERGRID promotes awareness of the importance of respecting Human Rights within its value chain and discourage instances of abuse. Besides conducting technical and behavioral trainings, the training on Human Rights issues to sensitize people towards women, the differently-abled and the socially weaker sections of the society have also been imparted.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the reporting period (2014-15).

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The Environmental and Social Policy & Procedures (ESPP) of POWERGRID encompass the company, its Joint Venture – Powerlinks Transmission Limited and relative aspects pertaining to Vendors/ Suppliers/Contractors through contract condition.

2. Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

POWERGRID has taken various initiatives in the area of environment sustainability. Taking into consideration the impact on natural resources (like forest and land) due to our project activities, we have taken measures to reduce deforestation and increase afforestation as well as adopt new technologies and measures to reduce the Right of Way (RoW) requirements. Several initiatives taken towards Environment Conservation including energy management, water management, emission control, waste management, material conservation and other technological initiatives are as under:

- a) **Energy Management:** Our approach towards energy conservation is based on adopting a low carbon growth path through reduction in specific energy consumption and enhancing the use of renewable energy sources. Since our major source of electricity consumption is for lighting purpose in substation, colony and office buildings, various initiatives such as installation of LED bulbs, fuel catalysts devices for DG sets etc. have been taken up to reduce specific energy consumption. Apart from above, Corporate office and two Regional Offices of POWERGRID, i.e. Nagpur (Western Region-I) & Shillong (North-East Region) are also certified for ISO 50001 for effective Energy Management System. We are also installing solar photovoltaic in office buildings to meet the internal energy requirements.
- b) **Water Management:** Our focus is on improving the water use efficiency and achieving zero discharge. All the substations have implemented integrated water management approach focused on rain water harvesting system, which is now an integral part of every new substation design.
- c) **Emission Control:** Power Transmission projects do not involve any activity which directly emits waste/toxic gases like SO_x, NO_x, CO₂, etc. into the atmosphere. However, DG sets, that are a direct source of emission, are used for backup, emergency power, and construction activities at substations and in Corporate office and Regional offices. Maintenance is ensured to comply with the emission norms prescribed by Pollution Control Board. As regard GHG emission, leakage of SF₆, a potent GHG used in Circuit Breakers, is arrested through systematic and regular monitoring. We have replaced most of our old equipments containing ODS and all our new equipment & refrigeration is CFC-free certified.

- d) Waste Management:** Our waste management program is based on the principle of reduce, reuse and recycle. There is no major solid or liquid waste generated due to our activities except metal scraps, used batteries and electronic waste. However, we have put in place systems for segregation/disposal of waste material for reuse and recycling. As a part of sustainable initiative, we have established a "Waste Paper Recycling Plant" at Gurgaon Substation to recycle waste paper produced in the corporate office with the capacity to handle 30-40 kgs of paper daily. The recycled paper is now utilized for making company's letterheads, visiting cards, file / folders, D.O. pads etc. With this initiative, we have substantially reduced procurement of paper and stationary items from the open market which has further reduced our carbon footprint as 1 ton of virgin printing paper requires 17 trees and 10 litres of water.
- e) Material Conservation:** Our contribution to the conservation of the natural resource base and efforts to reduce the material intensity is an integral part of corporation's sustainability strategy. We focus on reducing the consumption of major raw materials like Steel, Aluminum etc. through efficient designs of our transmission line & substation. The specific consumption of these raw materials have been reduced over the years through technological innovation using high capacity transmission lines i.e. 765 KV, ± 800 HVDC for transmitting bulk power.
- f) Technological Initiatives:** We have made efforts for conservation of energy in our projects - right from the planning stage, to the execution stage and throughout the O&M period. We are implementing ± 800 kV HVDC systems and 765 kV D/c lines to minimize RoW and environmental problems. We have also developed indigenously 1200 kV Ultra High Voltage (UHV) AC technology, the highest transmission voltage level in the world, in collaborative efforts with domestic manufacturers. This will enable transfer of 7000-8000 MW power over single corridor. In addition, efforts are being made to switch to high Performance Conductors in Existing & New Lines which involve lower sag as against conventional conductor at higher operating temperatures thereby resulting in reduction of tower weight and increasing span and consequently, reduce the total steel requirement resulting into lower carbon footprint. As a part of our technology development process, we are carrying out a demonstration project on High Temperature Superconductor (HTS) cable system at 220 kV voltage level. The first-hand experience gained from this R&D project will boost the company's thrust towards adoption of cutting edge technologies for safe, secure and reliable operation of grid. These latest technologies will have wide influence in minimizing environmental and social impact of high voltage transmission line and these initiatives will show extensive results in optimisation of RoW and its associated environmental and social impact. POWERGRID has also been designing and using Compact towers/ Pole type towers/ Multi-circuit towers depending upon land Topography and conditions. Apart from above, we have taken initiatives for development of Smart Grid in India towards bringing efficiency in distribution and are extending consultancy services for implementation of various projects on Smart Grid Technology in different states.

Besides, POWERGRID has been taking several other initiatives including despatch of annual reports/postal ballot notices & other communications to shareholders in electronic mode under 'Green Initiative in the Corporate Governance' thereby reducing wastage of natural resources.

3. Does the company identify and assess potential environmental risks? Y/N

A detailed Risk Assessment and Management procedure is in place to identify and assess potential environmental and social risks, as part of overall project analysis. The POWERGRID's ESPP which is based on the principles of Avoidance, Minimization and Mitigation outlines POWERGRID's approach and commitment to deal with environmental and social risk/issues and lays out management procedures and protocols to mitigate the same. It provides a framework for identification, assessment, and management of environmental and social concerns at both organizational and project level. ESPP framework includes procedures for: (a) Screening and Identification of Risks (from environmental receptors, social receptors and other stakeholders); (b) avoidance of risks (including criteria and procedures for alternative routing); (c) mitigation of risk through impact management, implementation of Good International Industry Practices (GIIP), adequate compensation to affected stakeholders, public consultation and disclosure, and grievance redress; (d) monitoring, reporting, evaluation, feedback, management review and corrective action; and (e) responsibility and resource allocation including an organization structure for management of social and environmental risks.

POWERGRID is certified with Integrated Management System as per Publicly Available Specification, PAS 99:2006 integrating requirement of ISO 9001:2008 for Quality, ISO 14001:2004 for Environment Management, OHSAS 18001:2007 for Safety and Health Management System.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Energy Efficiency:

POWERGRID has taken a lead role in identification of energy efficient opportunities and initiated activities in identification of energy saving opportunities through carrying out energy audits of various industries including Integrated Steel Plant at Bokaro & Bhilai, SAIL, institutions and other commercial establishments. We have more than 70 Bureau of Energy Efficiency (BEE) certified Energy Auditors/Managers. So far through energy audits, energy saving potential equivalent to 4750 MU with avoidable generation of about 900 MW has been identified besides reduction in CO₂ emission. Towards demand side management, We have replaced 1337 old agricultural pumps with energy efficient pumps in Mandya district, Karnataka resulted into energy saving more than 35% with about 3 MW load reduction. We are also BEE Grade-I Energy Service Company (ESCO) to implement energy efficiency solutions. In-house designed Waste heat recovery systems for

steel re-rolling mills and implemented at various industries. POWERGRID has released a study report "Negawatt Makes-a-Watt" i.e., Energy efficiency opportunities in India covering eighteen(18) energy intensive sectors in the country.

Renewable Energy:

Integration of Renewable Energy) sources into the grid is one of the top priority of Govt. of India towards energy security and environmental sustainability. In this direction, POWERGRID has evolved Green Energy Corridors comprising intra state and inter state transmission infrastructure to facilitate integration of envisaged renewable capacity addition of about 33 GW in 12th plan in RE resource rich states. Inter State Transmission System(ISTS) as part of Green Energy Corridors is being implemented. Further, we have also evolved transmission schemes for integration of proposed Ultra Mega Solar Power Parks of about 22,000MW in various states as part of Green Energy Corridors-II. Govt. of India also assigned your company to develop Inter State transmission system for nine(9) solar parks of capacity about 10,000 MW in seven(7) states. Implementation of transmission scheme for one(1) solar park in Andhra Pradesh is under progress.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

There are no emissions or waste generated by POWERGRID. The only emission that can be attributed to our activities are from operation of DG sets for power backup, which is maintained well within the permissible limits.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

POWERGRID did not receive any show cause/ legal notice from CPCB/SPCB.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

POWERGRID is a member of various industry bodies including the following:

1. Federation of Indian Chambers of Commerce and Industry (FICCI)
2. Confederation of Indian Industry (CII)
3. CII CPSE Council
4. TERI Business Council for Sustainable Development
5. The Associated Chambers of Commerce & Industry of India (ASSOCHAM)
6. PHD Chamber of Commerce & Industry (PHDCCI)
7. Central Board of Irrigation & Power (CBIP)
8. WEC India (formerly known as World Energy Council- India Member Committee)
9. Indian Institute of Plant Engineers (IIPE)
10. Standing Conference of Public Enterprises (SCOPE)
11. India Energy Forum (IEF)
12. Global Compact Network (GCN)
13. Internet Services Providers Association of India (ISPAI)
14. Association of Competitive Telecom Operators (ACTO)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas. (dropdown: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

POWERGRID participates through associations in (1) above on the issues and policy matters that impact the interest of our stakeholders.

Keeping in view the significant interest of POWERGRID in the Transmission sector, a separate Regulatory cell is in place to undertake POWERGRID's endeavor of a pro-active approach as part of policy advocacy with the stakeholders and CERC. Wherever felt necessary, we give our comments on various approach papers, consultation papers, draft regulations etc issued by CERC/TRAI/other authorities. Besides, POWERGRID also gives its comments in the field of Governance & Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Sustainable Business Principles etc, as and when sought by GoI.

**Principle 8- Businesses should support inclusive growth and equitable development****1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

By the very nature of our business and as the Central Transmission Utility, we touch millions of lives every day and understand that real success is the result of inclusive development of the involved entities and stakeholders. We support the principles of inclusive growth and equitable development through corporate social responsibility initiatives as well as through our core business.

Our commitment towards Social Responsibility (Labour, Employees, Communities, Employee's families) is amply reflected in our already adopted Integrated Management Policy, Environmental and Social Policy & Procedures (ESPP), Rehabilitation Action Plan (RAP), Corporate Objectives, OSHAS-18001 and Social Accountability SA 8000. Corporate Social Responsibility is primarily to showcase our abiding commitment and concern to pay-back to the society and environment for the benefits reaped so far. CSR has always been an integral part of our vision and the cornerstone of Core Values of Good Corporate Citizenship. We are committed towards taking responsibility for its impact, though very minimal in nature, on society and being accountable to the inhabitants of Mother Nature. We emphasize on overall socio-economic development of areas and communities around our operations through various community development programmes, initiatives such as Livelihood generation, Skill development, Healthcare, Education, Plantation, sanitation, drinking water, roads, drainage system, community centres, development and conservation of water bodies, etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programs / projects are undertaken largely by in-house teams, however Govt./ Semi Govt. agencies/agencies of International and National repute, etc are also engaged to undertake such projects.

3. Have you done any impact assessment of your initiative?

Impact Assessment studies have been carried out. POWERGRID internally performs impact assessment of its initiatives to – (i) understand /evaluate the community development activities undertaken, the benefits accrued to communities and (ii) gain insights for formulating & improving the community development activities in future.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

An amount of ₹ 47.42Crore has been incurred under CSR activities and about ₹ 10.98Crore provided as Rehabilitation Assistance (RA) under Rehabilitation & Resettlement (R&R) measures during the FY 2014-15. In addition to the measures taken for R&R, community development works are also undertaken for the overall improvement of surrounding villages and community. Based on social assessment outcome, we implement need based development works like construction of roads, drinking water facility, school building, community center, drinking water, sanitation, providing medical equipments, etc. etc. in association with local authorities. An amount of ₹5.14Crore was spent on community development works during the year.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

For success of such initiatives post construction, the communities and their cooperative organization like Aganwadi, Panchyats and senior/prestigious citizens of village are consulted from the very beginning and selection of site for particular activity is always carried out by communities. During implementation and just before handing over of facility to Panchayat, regular awareness programs are organized with the help of local bodies/NGOs to inculcate ownership of facility.

Principle 9- Businesses should engage with and provide value to their customers and consumers in a responsible manner**1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

NIL

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Not Applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

We engage with our customers on a regular basis. The objective of said meetings inter alia includes identification of process improvement areas and understanding concerns of customers. Based on feedback, Company takes measures for system improvement, wherever, required.

For and on behalf of the Board of Directors

(R. N. Nayak)

Chairman & Managing Director

Place: New Delhi

Date : 10.08.2015

ANNEXURE - III TO THE DIRECTORS' REPORT

Particulars required under Rule 8 of the Companies Rules, 2014 read with Section 134(3)(m) of the Companies Act, 2013.

A. CONSERVATION OF ENERGY**(a) Energy conservation measures taken and on hand:**

We continue to strengthen our energy conservation efforts right from the planning to the execution stage and subsequently throughout the O&M period. While finalizing transmission elements/equipment, low loss elements/system are giving top priority. We have adopted higher voltage levels like 765kV AC, ± 500 kV HVDC, ± 800 kV HVDC in its transmission development which result in lower losses in the system. We are developing high temperature superconductor cable system for transmission as demonstration project, which is almost lossless transmission facilities.

At design stage, optimization of various equipment parameters is done so that losses in the transmission system are optimized. During evaluation of transformer & shunt reactor packages, equipment with minimum losses are given weightage. In case of HVDC system also, the selection of parameters of filter components, Thyristor Valves, Converter Transformer etc. is done in such a way that overall losses are minimized even under worst condition of system operating parameters. Further, in case of transmission hardware, the material with lower losses is specified. Thus, energy conservation measures are taken by POWERGRID at every step so as to develop an efficient and low-loss transmission network.

(b) Additional investment and proposals, if any, being implemented for reduction of consumption of Energy:

As stated above, POWERGRID undertakes energy conservation measures in all areas of operations by means of reduction of losses in its transmission elements right from planning to execution and O&M stage.

B. RESEARCH AND DEVELOPMENT

1 & 2 It has been POWERGRID's endeavour to pursue research and development efforts in the field of new technologies in transmission system to remain at par with international standards. Also, realizing the need for conservation of Right-of-Way and future requirement of development of high capacity transmission system, POWERGRID is actively pursuing seamless integration of new and efficient technologies in Indian power system to create environmentally friendly transmission system. POWERGRID has accorded special emphasis on adoption of new technologies available around the globe for improving the quality of power supply, reduction of losses, optimum utilization of transmission assets, conservation of environment and optimizing upon the cost of delivered power. The company is working in collaboration with International/National research/academic institutions, manufacturers etc. and is thus enhancing its in-house capabilities for design and engineering of State-of-the-Art transmission facilities.

Specific areas in which R&D has been carried out by the company and benefits derived thereby are given below:

Completed Projects:

1. In-house design of 10 no. towers for transmission lines, approx. 600nos. tower foundations for transmission lines upto 765kV including 40 nos of pile foundations.
2. HVDC project with LTT thyristor in Balia-Bhiwadi HVDC
3. Four converter transformer arrangement arranged in such a configuration that outage time of transformer is minimized.
4. Tested 12 nos of towers for various transmission lines including 765kV EHVAC D/c and 400kV multi-circuit towers.
6. Developed indigenous vendors for 765kV Transformers, Reactors, Circuit Breaker, Current Transformer and Wave Trap.

Ongoing projects

1. **Indigenous Development of 1200kV UHVAC Technology** - 1200kV National Test Station at Bina s/s has been established through unique collaborative efforts with Indigenous Manufacturers & CPRI. Under this initiative, POWERGRID has created facility for field testing of UHV 1200 kV equipment developed by Indian manufacturers. This National test station comprises two 1200kV bays, two nos. 1200kV Test Lines (one S/C & one D/C) of about 1 km line length each. Equipment developed by Indian manufacturers have been installed and the field trials are in progress.

Phase-I: One bank of 1200/400/33kV 333MVA Transformers have been commissioned alongwith one 1200kV Transmission line (S/C) of about 1.0 km length.

Phase-II: One 1200kV Transmission line (D/C) of about 1.0 km length has also been commissioned and another bank of 1200/400/33kV 333MVA Transformer shall be commissioned shortly.

Under this prestigious project of national interest, 35 Indian manufacturers have joined hands on basis of Public Private Partnership & signed MOU with POWERGRID and CPRI to design, develop and supply 1200kV Transmission Equipments at their own cost. This Test Station will facilitate in finalization of technical parameters, design review, field testing, and trial operation etc. of 1200kV AC system Station and help manufacturers for indigenous development of 1200 KV transmission line and substation equipment which shall benefit Indian Power sector by optimization of transmission cost. With successful test charging of World's highest voltage level (1200kV) system, the dream of India becoming World leader in 1200kV UHVAC power transmission technology is achieved.

2. High Capacity, ± 800 kV, 6000 MW HVDC multi terminal system for long distance power transfer over 2000 km. from NER/ER to NR.
3. High Capacity, ± 800 kV, 6000 MWHVDC for long distance power transfer over 1350km. from WR to NR.
4. Re-conductoring of existing 400kV D/c Purnea-Siliguri line with high temperature endurance conductor to enhance the capacity of the transmission corridor by about two times.
5. **Fault Current Limiters:** To control increasing short circuit current levels in the network, application of series reactors as fault current limiters in the Grid is being taken up. In Delhi ring main, 2 nos of series bus reactors and 13 nos of series line reactors have been identified. Initially 4 no. series reactors, 2 no. series bus reactors at Mandola and Ballabgarh and 2 nos. series line reactors on Dadri-Mandola



400kV D/c at Mandola would be taken up in first phase and subsequently with the acquired operational experience, the other proposed series reactors would be considered for implementation. POWERGRID has initiated a pilot project on advanced Fault Current Limiters with compensation.

6. **Dynamic Compensation:** Static VAR Compensators at 3 locations in NR grid and STATCOMs at 13 locations on all India grid (4 no. in Western Region, 4 no. in Eastern Region, 3 no. in Southern Region and 2 no. in Northern Region) are being implemented for dynamic control of reactive power in order to maintain the voltage and improve the stability of the grid. These dynamic compensations would be based on State-of-the-Art technologies and would provide online dynamic support to the Grid.
7. Development of in-house tower and foundation designs including 765kV D/C and 400kV Multi Circuit towers for use in on-going transmission line projects.
8. Development of 4 more additional Indigenous vendors for 400kV Composite Insulators
9. Design of Highest River crossing tower across Haldia (Height being 236 meters).
10. Several existing Substations in different Regions are being augmented for remote operation from nearby Substations so as to reduce the operation cost.
11. Development of GIS in association with Indian manufacturers.
12. Indigenous Development of SF6 gas filled Current Transformer with BHEL
13. **Green Energy Corridors:** Implementation of "Green Energy Corridors" to facilitate integration of large scale renewable generation in the States of Gujarat, Rajasthan and Tamil Nadu into the ISTS grid along with other control infrastructure. These corridors comprise of establishment of 765/400kV pooling substations and 765kV D/c and 400kV D/c lines comprising intra-regional as well as inter-regional strengthening.
14. Implementation of Controlled Switching schemes of circuit breakers for 400kV transmission lines.
15. Engineering Data Integration on GIS Platform.
16. **Process bus Technology** -POWERGRID has implemented state of the art process bus technology on pilot basis using Novel Sensor (optical instrument transformers) for the substation automation using IEC 61850 protocol. This is new approach for a substation wherein the bay level equipment shall also be connected through optical Ethernet. This will enable a significant reduction of copper wiring in the substation and a better diagnosis of the primary equipment health condition. The pilot project for introduction of process bus technology in substation automation system has been commissioned at Bhiwadi 400/220kV Substation of POWERGRID.

Superconducting Transmission Technology -

POWERGRID is actively considering a demonstration project on 220kV High Temperature Superconductor (HTS) cable system in grid. HTS cables can offer substantial saving in ROW requirement besides increasing power transfer capability with reduced losses. Eligible parties have been shortlisted based on the response received to an invitation for Expression of Interest for associating in this demonstration project.

17. Transmission Line Arrestor: To improve the lightning performance of line insulators, Transmission Line Arrestors has been installed on 220kV line in North Eastern Region on trial basis.
18. **Pollution mapping:** POWERGRID in association with Northern Regional Power Committee (NRPC) and the constituent STU's of the Northern Region is carrying out Pollution Mapping activity in Northern Region. The same is being carried out at Southern and Eastern Regions also.
19. Development of Indigenous vendors for 765kV Isolators and surge arrestors
20. Development of indigenous 765 kV clamps, connectors and insulator string hardware.
21. Spare phase switching arrangement is being adopted for 765 kV transformers and reactors to minimize outage / shut down period.
22. Implementation of smart grid technology in power system is being carried out through installation of phasor measurement units (PMU) on EHV substations in pan India basis integrated with control centres for Wide Area Measurements and real time monitoring of grid parameters.
23. Smart Grid project at Puducherry covering all intelligent attributes integrated with latest communication technology in a holistic manner through open Collaboration.

Technology Absorption:

1. For route selection, length optimisation and estimation of BOQ for transmission lines, POWERGRID has employed modern Survey techniques.
2. Substation Automation with IEC 61850 protocol is being adopted for all new Substations of POWERGRID. This would result in savings in operational cost and increased operational and maintenance efficiency.
3. As a step towards National grid, 765kV AC D/c and +500kV HVDC technology has been implemented in our country. Now, +800kV HVDC and 1200kV UHVAC technologies are being implemented for bulk power transfer across the country.
4. In special areas, compact towers like pole towers, delta configuration towers and narrow based towers which reduce the space occupied by the tower base, are being used. Also tall towers and multi-circuit towers are being used for conservation of scarce right-of-way.
5. Use of metallic return in HVDC system has been adopted.
6. Special insulators like polymer composite insulators have been adopted in transmission lines in polluted areas.
7. High temperature low sag conductors have been adopted for increasing the transfer capacity of transmission corridors.
8. GIS technology at 400kV and 765kV level has been adopted in substations where space constraints exist.
9. Multi-level beams have been used in GIS and AIS substations with multi-ckt. lines to optimize line corridor areas near substation
10. On line transformer monitoring techniques are being used for monitoring of critical parameters of power transformers.

C. CONSERVATION OF LAND AND ENVIRONMENTAL CONCERNS

For the ground return mode of operation of HVDC Bipolar Transmission system, electrode stations are being used up to now, which require approx. 150 acre of land (75 acre for each terminal of Bipolar system) at electrode site. The land for these electrode stations have to be selected keeping in view that there are no metallic buried objects i.e. metallic oil and gas pipe line, metallic pipes, railway line, telephone lines using metallic wires, electrical operated water pump sets etc within a radius of about 8 to 10 km from the centre of the proposed site of the earth electrode station. Since the inverter Terminal is generally located near the load centres, the cost of land acquisition is very high.

Further, the electrode line of the HVDC Terminal also requires its right of way which creates the constraint in land usage.

Therefore, for future +800 KV / +600 KV projects, the usage of third return conductor on the same tower carrying the line/ pole conductor, instead of having a ground electrode as return path has been adopted. Apart from eliminating the element of uncertainty about the proper functionality of the earth electrode station, the usage of third conductor as a return path will result in conservation of land required for conventional electrode station. It will avoid a separate electrode line and corresponding right of way related to the electrode line resulting in further land conservation.

POWERGRID is committed to the conservation of natural resources and has taken many initiatives in this regard. Land which has now become a scarce resource hence a plethora of issues arise during the land acquisition process for the construction of sub-stations. POWERGRID has substantially reduced the land requirement by utilizing new technology (e.g. Air Insulated Substation to Gas Insulated Substation). Now a days land acquisition is major issue with the enactment of New Land Acquisition Act. POWERGRID has taken a policy decision for direct purchase of land through a committee on willing buyer willing seller on market/negotiated rate to avoid public resistance and court intervention faced during land acquisition. Land for Padghe, Varanasi, Orai, Aligarh etc. have been purchased through above method.

POWERGRID is conscious of the fact that their projects are by and large environmental benign due to inherent flexibility available in routing the transmission lines as well as for setting up of sub stations. But understanding Environmental and Social Responsibilities, POWERGRID has always endeavoured to protect the environment in areas of our activities right from planning to completion and subsequent operation of projects. POWERGRID commits itself to the goal of sustainable development which is reflected through our motto, "Reduce where you can and mitigate where you cannot", along with our well-defined Environmental and Social Policy and Procedures.

One of the most important concern presently faced by us is the accessibility of Right of Way for transmission lines. Various factors such as high population density, other on-going infrastructural developments as well as our duty for environmental preservation, limit the freedom of selecting a most optimum route devoid of RoW issues. In order to address such issue to the extent possible POWERGRID has adopted innovative tower design to reduce width of RoW and has also taken a policy decision to install only Double circuit (D/C) or Multi-Circuit towers in forest and other ecologically sensitive areas. Extensive utilization of extra high voltage like 765/800 kV that too on D/C lines having extended carrying capacity up to 6000 MW has also helped in conserving the precious natural resources and RoW.

FOREIGN EXCHANGE EARNINGS AND OUTGO

		₹ in Crore
	Foreign Exchange Earnings	
(i)	Interest	0.19
(ii)	Consultancy Fee	37.85
(iii)	Export of Goods	0.00
	Total	38.04
	Foreign Exchange outgo	
(i)	Capital goods and Spare Parts	3731.84
(ii)	Interest	341.71
(iii)	Others	82.93
	Total	4156.48

For and on behalf of the Board of Directors



(R. N. Nayak)

Chairman & Managing Director

Place: New Delhi

Date: 10.08.2015

The Comments of the Statutory Auditors and Management's Reply thereto

Auditor's Comments	Management's Reply																																																
i) The company has not made any adjustment in respect of revenue of ₹144.91 crore recognized for the period 01.07.2010 to 31.08.2011 in respect of Barh-Balia Transmission line, wherein company appeal is pending with Hon'ble Supreme Court against the order of Appellate Tribunal for Electricity (ATE) to re-determine the Date of Commercial Operation (DOCO) refer note 2.38. Pending decision of Hon'ble Supreme Court, and determination of DOCO by CERC and in view of uncertainty involved, in our opinion, provision should have been made for the revenue recognized for the period under dispute. This has resulted in increase of Profit before tax for the year by ₹109.70 crore and increase in Current Assets by ₹109.70 crore.	The Company is entitled for the transmission charges w.e.f. 01/07/2010, as approved by CERC on 29/04/2011, since the line was ready for regular service on completion of Company's scope of work. Thus, the declaration of DOCO on 01/07/2010 is correct as per CERC Tariff Regulations, 2009. Pending decision of the Hon'ble Supreme court and pending re-determination of DOCO by CERC, no provision was made in respect of Revenue of ₹144.91 crore recognized in earlier years for the period from 01.07.2010 to 31.08.2011. However, as Directed by appellate Tribunal for Electricity (ATE), CERC has now reviewed and has re-determined the DOCO. CERC has revised the tariff vide order dt. 30/06/2015 and shifted the DOCO from 01/07/2015 (earlier approved) to 01/09/2011. The Company has referred the matter to Hon'ble Supreme Court for appropriate relief against the above said CERC order and ATE order, which is genesis of the entire issue. Pending final decision regarding shifting of DOCO from 01/07/2010 to 01/09/2011 by the Hon'ble Supreme Court, no provision has been considered in the accounts.																																																
ii) The Company has not made any provision in respect of outstanding dues of ₹15.64 crore from one of the medium term open access customers, which is under liquidation, under an order of the Hon'ble High Court at Calcutta, refer note 2.39. Moreover, no favourable order has been received in respect of Company's petition before the Central Electricity Regulatory Commission for allowing the recovery of such dues from other beneficiaries. As the recovery of such dues is doubtful, in our opinion, the provision should have been made in the accounts. This has resulted in increase of Profit before tax for the year by ₹11.84 crore and increase in Current Assets by ₹11.84 crore.	The MTOA is a transmission service provided on the margins available in the existing transmission network and the Company is not impacted (increase/decrease) due to grant of MTOA or cancellation thereof as per CERC regulations. Considering that the entire transmission charges are recoverable from long term customers, who have signed agreement for establishment of such transmission systems as per CERC sharing regulations, no provision is required towards the above dues.																																																
iii) Furthermore, as a result of non-provisions mentioned in our qualification Nos. i) and ii) stated above, there are impact on various heads in the financial statements, the aggregate impact of all the above is as under:	In view of management's reply at i) and ii) above, there is no impact in the financial statements as on 31st March, 2015 of the Company.																																																
<table><tr><th>Sl.</th><th>Particulars</th><th>Increase (₹Crore)</th><th>Decrease (₹Crore)</th></tr><tr><td>1</td><td>Revenue from operation</td><td></td><td>37.45</td></tr><tr><td>2</td><td>Employee Benefit Expenses</td><td>1.56</td><td></td></tr><tr><td>3</td><td>Transmission, administration and other expenses</td><td></td><td>160.55</td></tr><tr><td>4</td><td>Profit Before Tax</td><td>121.54</td><td></td></tr><tr><td>5</td><td>Tax Expenses</td><td></td><td>8.15</td></tr><tr><td>6</td><td>Profit After Tax</td><td>129.69</td><td></td></tr><tr><td>7</td><td>Reserves & Surplus and Shareholders' Fund</td><td>129.69</td><td></td></tr><tr><td>8</td><td>Short-term Provisions</td><td></td><td>5.75</td></tr><tr><td>9</td><td>Capital work in progress</td><td>0.84</td><td></td></tr><tr><td>10</td><td>Trade Receivable</td><td>160.55</td><td></td></tr><tr><td>11</td><td>Other Current Assets</td><td></td><td>37.45</td></tr></table>	Sl.	Particulars	Increase (₹Crore)	Decrease (₹Crore)	1	Revenue from operation		37.45	2	Employee Benefit Expenses	1.56		3	Transmission, administration and other expenses		160.55	4	Profit Before Tax	121.54		5	Tax Expenses		8.15	6	Profit After Tax	129.69		7	Reserves & Surplus and Shareholders' Fund	129.69		8	Short-term Provisions		5.75	9	Capital work in progress	0.84		10	Trade Receivable	160.55		11	Other Current Assets		37.45	
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**For and on behalf of
Power Grid Corporation of India Limited**



**(R.N. Nayak)
Chairman & Managing Director**

Date : 10.08.2015

Place: New Delhi

ANNEXURE - V TO THE DIRECTORS' REPORT**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015**

The preparation of financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of Power Grid Corporation of India Limited for the year ended 31 March 2015.. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report.

**For and on the behalf of the
Comptroller & Auditor General of India**

Sd/-

Place: New Delhi
Dated: 10 July, 2015

**(Tanuja S. Mittal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board — III,
New Delhi**

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF POWER GRID CORPORATION OF INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2015.

The preparation of Consolidated Financial Statements of Power Grid Corporation of India Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the Management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act are responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 30 May 2015.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the Consolidated Financial Statements of Power Grid Corporation of India Limited for the year ended 31 March 2015. We conducted a supplementary audit of the financial statements of Power Grid Corporation of India Limited, Power System Operation Corporation Limited, Cross Border Power Transmission Company Limited and National High Power Test Laboratory Private Limited, but did not conduct supplementary audit of the financial statements of subsidiaries, associate companies and jointly controlled entities listed in Annexure for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6)(b) read with section 129(4) of the Act which has come to my attention and which in my view is necessary for enabling a better understanding of the Consolidated Financial Statements and the related audit report:

A. Consolidated Balance Sheet

Power Grid Corporation of India Limited (PGCIL) has consolidated its share in one of its Joint Ventures viz, National High Power Test Laboratory Private Limited (NHPTPL) in its Consolidated Financial Statements on the basis of 20 per cent shareholding as per Joint Venture agreement. The shareholding portion of PGCIL in NHPTPL, however, stood at 21.64 per cent as on 31.03.2015 due to non-contribution of required Share Capital by one of the Joint Venture Partners. Thus, neither the consolidation of share of PGCIL in Assets and Liabilities of NHPTPL has been done as per share holding of PGCIL in NHPTPL on 31.03.2015 nor the reasons for not doing so has been disclosed in the Notes to Accounts.

**For and on the behalf of the
Comptroller & Auditor General of India**

Sd/-

Place: New Delhi
Dated: 29 July, 2015

**(Tanuja S. Mittal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board — III,
New Delhi**

List of subsidiaries, associate companies and jointly controlled entities whose financial statements are not audited by the Comptroller and Auditor General of India

A. Subsidiaries incorporated in India

1. Powergrid NM Transmission Limited
2. Powergrid Vemagiri Transmission Limited
3. Powergrid Vizag Transmission Limited
4. Powergrid Unchahar Transmission Limited
5. Powergrid Kala Amb Transmission Limited
6. Vindhyachal Jabalpur Transmission Limited

B. Joint Ventures incorporated in India

1. Powerlinks Transmission Limited
2. Torrent Power Grid Limited
3. Jaypee Powergrid Limited
4. Parbati Koldam Transmission Company Limited
5. Teestavalley Power Transmission Limited
6. North East Transmission Company Limited
7. Energy Efficiency Services Limited
8. Bihar Grid Company Limited
9. Kalinga Vidyut Prasaran Nigam Private Limited

C. Joint Ventures incorporated outside India

1. Power Transmission Company Nepal Limited

Comments of the Comptroller and Auditor General of India (C&AG) and Management's Reply thereto:

C&AG's Comments	Management Reply
Power Grid Corporation of India Limited (PGCIL) has consolidated its share in one of its Joint Ventures viz. National High Power Test Laboratory Private Limited (NHPTPL) in its Consolidated Financial statements on the basis of 20% shareholding as per Joint Venture agreement. The shareholding portion of PGCIL in NHPTPL, however stood at 21.64% as on 31/03/2015 due to non-contribution of required Share Capital by one of the Joint Venture Partners. Thus, neither the consolidation of share of PGCIL in assets and liabilities in NHPTPL has been done as per share holding of PGCIL in NHPTPL on 31/03/2015 nor the reasons for not doing so has been disclosed in the Notes to Accounts.	The para 29 of the Accounting Standard 27 issued by the Institute of Chartered Accountants of India on the issue of consolidation of accounts states that 'When reporting an interest in a jointly controlled entity in consolidated financial statements, it is essential that a venturer reflects the substance and economic reality of the arrangement, rather than the joint venture's particular structure or form'. As per clause 4.2.3 of Joint Venture (JV) agreement corresponding to Article 1 of Articles of Association of NHPTPL, the JV partners shall be under contractual obligation to subscribe to such increased issued capital in the agreed proportion (i.e., 20%). Therefore, POWERGRID shareholding is restricted to 20%. However, due to delay in payment by one of the joint venture partner of equity demanded by NHPTPL, share of POWERGRID in the assets and liability works out to 21.64% as on 31/03/2015 i.e. balance sheet date. However, in substance as per the JV agreement, POWERGRID is entitled to 20% shares in the company. The Consolidated Financial Statements (CFS) are prepared as per the fundamental accounting concept of 'Going Concern' and as per Accounting Standard -27. Accordingly, treatment of share of JV Company in the CFS is in order and therefore, there is no requirement of any disclosure also. Notwithstanding above, there would be no impact on consolidated profit of POWERGRID considering the consolidation @ 21.64%, as per C&AG comment. Only Assets and Liabilities would increase by Rs. 3.84 crore each, which is not material considering the total CFS assets of Rs. 160764.28 crore

Secretarial Audit Report

To,
The Members
Power Grid Corporation of India Limited
B-9 Qutab Institutional Area
Katwaria Sarai
New Delhi -110016

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Rupesh Agarwal
Partner

Sd/-

For Chandrasekaran Associates
Company Secretaries
Membership No. A 16302
Certificate of Practice No. 5673

Date : 20.07.2015
Place: New Delhi



SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

The Members,

Power Grid Corporation of India Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Power Grid Corporation of India Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; Not applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry is:
 1. The Electricity Act, 2003.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India not applicable for financial Year 2014-15.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The Company has complied with the provisions of Section 149 of the Companies Act 2013 and clause 49 of Listing Agreement except with respect to the requirement of appointment of minimum number of Independent Directors since 27.12.2014.
2. The Company has not filed certain e-forms relating to creation of charges with the office of the Registrar of Companies where the Permanent Account Number (PAN) of the lenders are not available, which is mandatory.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to the above mentioned observations. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has issued Bond of ₹ 11581.20 crore through Private Placements during the Financial Year 2014-15.

Rupesh Agarwal
Partner

Sd/-

For Chandrasekaran Associates
Company Secretaries
Membership No. A 16302
Certificate of Practice No. 5673

Date : 20.07.2015
Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure A and form forms an integral part of this report.

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2015 Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I REGISTRATION & OTHER DETAILS:

i	CIN	L40101DL1989GOI038121
ii	Registration Date	23-Oct-89
iii	Name of the Company	POWER GRID CORPORATION OF INDIA LIMITED
iv	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES / UNION GOVERNMENT COMPANY
v	Address of the Registered office & contact details	B-9, QUTAB INSTITUTIONAL AREA, KATWARIA SARAI, NEW DELHI - 110 016. Tel: 011-26560112, 26560121, 26564812, 26564892 Fax: 011-26601081
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited , Karvy Selenium Tower B, Plot No. 31& 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032. Tele: +91-40-67162222, Fax: +91-40-23420814, Tol free No.1800-345-4001.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated

SL No	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Transmission	35107	96.26%

III PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Power System Operation Corporation Limited. Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40105DL2009GOI188682	Subsidiary	100	Section 2 (87)
2	POWERGRID Vemagiri Transmission Limited. Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2011GOI217975	Subsidiary	100	Section 2 (87)
3	POWERGRID NM Transmission Limited. Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2011GOI219542	Subsidiary	100	Section 2 (87)

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
4	POWERGRID Vizag Transmission Limited. Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2011GOI228136	Subsidiary	100	Section 2 (87)
5	POWERGRID Unchahar Transmission Limited. Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2012GOI246341	Subsidiary	100	Section 2 (87)
6	POWERGRID Kala Amb Transmission Limited . Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40106DL2013GOI256048	Subsidiary	100	Section 2 (87)
7	POWERGRID Jabalpur Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2014GOI270433	Subsidiary	100	Section 2 (87)
8	POWERGRID Warora Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40300DL2014GOI269918	Subsidiary	100	Section 2 (87)
9	POWERGRID Parli Transmission Limited Regd. Office: B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110 016.	U40109DL2014GOI269652	Subsidiary	100	Section 2 (87)
14	Powerlinks Transmission Ltd 10 th Floor, DLF Tower A, District Centre Jasola, New Delhi-110025	U40105DL2001PLC110714	Joint Venture	49	Section 2 (6)
15	Torrent Power Grid Ltd. Torrent House, Off Ashram road Ahmedabad-380009.	U40104GJ2005PLC046660	Joint Venture	26	Section 2 (6)
16	Jaypee Powergrid Ltd. `JA House', 63 Basant Lok, Vasant Vihar, New Delhi-110057	U40101DL2006PLC154627	Joint Venture	26	Section 2 (6)

SI No	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
17	North East Transmission Company Ltd. 1 st Floor, Ambience Corporate Tower, Ambience Mall, Ambience Island, NH-8, Near Toll Plaza, Gurgaon-122001.	U40101TR2008PLC008249	Joint Venture	26	Section 2 (6)
18	Parbati Koldam Transmission Company Ltd. 12 th Floor, Building No. 10 B, DLF Cyber City, Sector – 24 & 25 Phase – II, Gurgaon	U40108DL2002PLC116786	Joint Venture	26	Section 2 (6)
19	Teestavalley Power Transmission Ltd. NBCC Tower, 1st Floor, 15, Bhikaji Cama place, New Delhi-110066	U40109DL2006PLC151871	Joint Venture	26	Section 2 (6)
20	National High Power Test Laboratory Pvt. Ltd. Core-8, 1 st Floor, Scope Complex, 7, Institutional Area, Lodhi Road, New Delhi-110003.	U73100DL2009PTC190541	Joint Venture	20	Section 2 (6)
21	Energy Efficiency Services Ltd. 4 th Floor, IWAI Building, A-13, Sector-1, Noida-201301 (UP)	U40200DL2009PLC196789	Joint Venture	25	Section 2 (6)
22	Bihar Grid Company Ltd. 2 nd Floor, Boring Road, Alankar Place, Patna, Bihar	U40100BR2013PLC019722	Joint Venture	50	Section 2 (6)
23	Kalinga Bidyut Prasaran Nigam Private Ltd. Plot No 2, Shaheed Nagar, Bhubaneswar - 751007	U40102OR2012PTC016411	Joint Venture	50	Section 2 (6)
24	Cross Border Power Transmission Company Ltd. C/O IL&FS Securities Services Ltd., 10, Community Center, 2 nd Floor, East of Kailash, New Delhi - 110 065	U40102DL2006PLC156738	Joint Venture	26	Section 2 (6)
25	Power Transmission Company Nepal Ltd. c/o Nepal Electricity Authority, Durbar Marg, Kathmandu, Nepal	-	Joint Venture	26	Section 2 (6)

IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

EXTRACT OF ANNUAL RETURN

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	0	0	0	0.00	0	0	0	0.00	0.00
	Total A=A(1)+A(2)	3028835198	0	3028835198	57.90	3028835198	0	3028835198	57.90	0.00
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	126787129	0	126787129	2.42	200458699	0	200458699	3.83	-1.41
(b)	Financial Institutions /Banks	137838709	0	137838709	2.63	47821764	0	47821764	0.91	1.72
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	178721425	0	178721425	3.42	167205460	0	167205460	3.20	0.22
(f)	Foreign Institutional Investors	1368369388	0	1368369388	26.16	1441236452	0	1441236452	27.55	-1.39
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	135	0	135	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	1811716786	0	1811716786	34.63	1856722375	0	1856722375	35.49	-0.86

CATEGORY CODE	CATEGORY OF SHAREHOLDER	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR 01/04/2014				NO. OF SHARES HELD AT THE END OF THE YEAR 31/03/2015				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES (VI)	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES (X)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	138957482	0	138957482	2.66	136331571	0	136331571	2.61	0.05
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 lakh	208787744	48142	208835886	3.99	172196699	34475	172231174	3.29	0.70
	(ii) Individuals holding nominal share capital in excess of ₹1 lakh	10967450	0	10967450	0.21	12460801	10500	12471301	0.24	-0.03
(c)	Others									
	CLEARING MEMBERS	9824244	0	9824244	0.19	2565088	0	2565088	0.05	0.14
	FOREIGN BODIES	14723476	0	14723476	0.28	11123476	0	11123476	0.21	0.07
	NON RESIDENT INDIANS	3343441	0	3343441	0.06	3234151	0	3234151	0.06	0.00
	TRUSTS	4385685	0	4385685	0.08	8075314	0	8075314	0.15	-0.07
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	390989522	48142	391037664	7.47	345987100	44975	346032075	6.61	0.86
	Total B = B(1)+B(2) :	2202706308	48142	2202754450	42.10	2202709475	44975	2202754450	42.10	0.00
	Total (A+B) :	5231541506	48142	5231589648	100.00	5231544673	44975	5231589648	100.00	0.00
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	5231541506	48142	5231589648	100.00	5231544673	44975	5231589648	100.00	

**(ii) SHARE HOLDING OF PROMOTERS
EXTRACT OF ANNUAL RETURN**

Sl No.	Shareholders Name	Shareholding at the beginning of the year 01/04/2014			Shareholding at the end of the year 31/03/2015			% change in share holding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	PRESIDENT OF INDIA	2927565398	55.9593851	0	2927565398	55.9593851	0	0
2	PRESIDENT OF INDIA	101269800	1.935736685	0	101269800	1.935736685	0	0
	Total	3028835198	57.89512178	0	3028835198	57.89512178	0	0

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

Sl No.		Share holding at the beginning of the Year 01/04/2014		Cumulative Share holding during the year 31/03/2015	
		No. of Shares	% of total shares of the company	No of shares	% of total shares of the company
	At the beginning of the year Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGES			
	At the end of the year				

EXTRACT OF ANNUAL RETURN
1. CREDIT SUISSE (SINGAPORE) LIMITED

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	38310948	0.73%	38310948	0.73%
Date wise increase/decrease in	04-Apr-14	0	1620807	39931755	0.76%	39931755	0.76%
Share holding during the year	11-Apr-14	0	169964	40101719	0.77%	40101719	0.77%
specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	18-Apr-14	0	444914	40546633	0.78%	40546633	0.78%
	25-Apr-14	0	40700	40587333	0.78%	40587333	0.78%
	09-May-14	0	189403	40776736	0.78%	40776736	0.78%
	16-May-14	57405	0	40719331	0.78%	40719331	0.78%
	30-May-14	2571398	0	38147933	0.73%	38147933	0.73%
	06-Jun-14	0	2612184	40760117	0.78%	40760117	0.78%
	13-Jun-14	2077875	0	38682242	0.74%	38682242	0.74%
	20-Jun-14	418036	0	38264206	0.73%	38264206	0.73%
	30-Jun-14	1743109	0	36521097	0.70%	36521097	0.70%
	04-Jul-14	35107	1558100	38044090	0.73%	38044090	0.73%
	11-Jul-14	937181	0	37106909	0.71%	37106909	0.71%
	18-Jul-14	0	72239	37179148	0.71%	37179148	0.71%
	25-Jul-14	0	139348	37318496	0.71%	37318496	0.71%
	01-Aug-14	1016000	0	36302496	0.69%	36302496	0.69%
	08-Aug-14	2058866	0	34243630	0.65%	34243630	0.65%
	22-Aug-14	0	1249573	35493203	0.68%	35493203	0.68%
	05-Sep-14	46602	0	35446601	0.68%	35446601	0.68%
	12-Sep-14	275542	0	35171059	0.67%	35171059	0.67%
	19-Sep-14	0	116154	35287213	0.67%	35287213	0.67%
	30-Sep-14	778984	0	34508229	0.66%	34508229	0.66%
	03-Oct-14	990000	0	33518229	0.64%	33518229	0.64%
	10-Oct-14	833517	0	32684712	0.62%	32684712	0.62%
	17-Oct-14	1010033	0	31674679	0.61%	31674679	0.61%
	24-Oct-14	551699	0	31122980	0.59%	31122980	0.59%
	31-Oct-14	5400643	0	25722337	0.49%	25722337	0.49%
	07-Nov-14	2881821	0	22840516	0.44%	22840516	0.44%
	14-Nov-14	362827	0	22477689	0.43%	22477689	0.43%
	21-Nov-14	0	643971	23121660	0.44%	23121660	0.44%

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	28-Nov-14	0	932795	24054455	0.46%	24054455	0.46%
	05-Dec-14	40452	0	24014003	0.46%	24014003	0.46%
	19-Dec-14	0	898532	24912535	0.48%	24912535	0.48%
	31-Dec-14	0	1277434	26189969	0.50%	26189969	0.50%
	02-Jan-15	0	26000	26215969	0.50%	26215969	0.50%
	09-Jan-15	572183	0	25643786	0.49%	25643786	0.49%
	16-Jan-15	24000	0	25619786	0.49%	25619786	0.49%
	23-Jan-15	30000	0	25589786	0.49%	25589786	0.49%
	30-Jan-15	600000	0	24989786	0.48%	24989786	0.48%
	06-Feb-15	388058	0	24601728	0.47%	24601728	0.47%
	13-Feb-15	0	354141	24955869	0.48%	24955869	0.48%
	20-Feb-15	944200	0	24011669	0.46%	24011669	0.46%
	27-Feb-15	764000	0	23247669	0.44%	23247669	0.44%
	06-Mar-15	87521	0	23160148	0.44%	23160148	0.44%
	13-Mar-15	110000	0	23050148	0.44%	23050148	0.44%
	20-Mar-15	878015	0	22172133	0.42%	22172133	0.42%
	27-Mar-15	49726	0	22122407	0.42%	22122407	0.42%
	31-Mar-15	0	0	22122407	0.42%	22122407	0.42%
At the end of the year (or on the date of separation, if separated during the year)							

2. COMGEST SA A/C MAGELLAN

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	37829632	0.72%	37829632	0.72%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	25-Apr-14	0	1250000	39079632	0.75%	39079632	0.75%
	02-May-14	0	750000	39829632	0.76%	39829632	0.76%
	16-May-14	0	2600000	42429632	0.81%	42429632	0.81%
	23-May-14	0	186379	42616011	0.81%	42616011	0.81%
	30-Jun-14	0	1600000	44216011	0.85%	44216011	0.85%
	04-Jul-14	0	4400000	48616011	0.93%	48616011	0.93%

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	25-Jul-14	0	1560000	50176011	0.96%	50176011	0.96%
	01-Aug-14	0	600000	50776011	0.97%	50776011	0.97%
	08-Aug-14	0	1967400	52743411	1.01%	52743411	1.01%
	19-Sep-14	0	114447	52857858	1.01%	52857858	1.01%
	30-Sep-14	0	1311686	54169544	1.04%	54169544	1.04%
	03-Oct-14	0	2908	54172452	1.04%	54172452	1.04%
	10-Oct-14	0	111289	54283741	1.04%	54283741	1.04%
	17-Oct-14	0	2320239	56603980	1.08%	56603980	1.08%
	24-Oct-14	0	1102998	57706978	1.10%	57706978	1.10%
	31-Oct-14	0	1791240	59498218	1.14%	59498218	1.14%
	07-Nov-14	0	1778090	61276308	1.17%	61276308	1.17%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	61276308	1.17%	61276308	1.17%

3. ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	64003238	1.22%	64003238	1.22%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	04-Apr-14	0	107293	64110531	1.23%	64110531	1.23%
	11-Apr-14	198623	0	63911908	1.22%	63911908	1.22%
	18-Apr-14	0	255608	64167516	1.23%	64167516	1.23%
	25-Apr-14	49878	0	64117638	1.23%	64117638	1.23%
	02-May-14	101652	0	64015986	1.22%	64015986	1.22%
	09-May-14	152064	0	63863922	1.22%	63863922	1.22%
	16-May-14	108957	0	63754965	1.22%	63754965	1.22%
	23-May-14	0	484862	64239827	1.23%	64239827	1.23%
	30-May-14	4495878	0	59743949	1.14%	59743949	1.14%
	06-Jun-14	4067632	0	55676317	1.06%	55676317	1.06%
	13-Jun-14	7494501	0	48181816	0.92%	48181816	0.92%
	20-Jun-14	1520677	0	46661139	0.89%	46661139	0.89%
	30-Jun-14	2911076	0	43750063	0.84%	43750063	0.84%
	04-Jul-14	0	92917	43842980	0.84%	43842980	0.84%

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the begning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
	11-Jul-14	0	22834	43865814	0.84%	43865814	0.84%
	18-Jul-14	274789	0	43591025	0.83%	43591025	0.83%
	25-Jul-14	0	168661	43759686	0.84%	43759686	0.84%
	01-Aug-14	0	7839	43767525	0.84%	43767525	0.84%
	08-Aug-14	0	43659	43811184	0.84%	43811184	0.84%
	15-Aug-14	15931	0	43795253	0.84%	43795253	0.84%
	22-Aug-14	195000	0	43600253	0.83%	43600253	0.83%
	29-Aug-14	0	662350	44262603	0.85%	44262603	0.85%
	05-Sep-14	0	450399	44713002	0.85%	44713002	0.85%
	12-Sep-14	0	110638	44823640	0.86%	44823640	0.86%
	19-Sep-14	67322	0	44756318	0.86%	44756318	0.86%
	30-Sep-14	0	28353	44784671	0.86%	44784671	0.86%
	03-Oct-14	17697	0	44766974	0.86%	44766974	0.86%
	10-Oct-14	0	36459	44803433	0.86%	44803433	0.86%
	17-Oct-14	290245	0	44513188	0.85%	44513188	0.85%
	24-Oct-14	0	942017	45455205	0.87%	45455205	0.87%
	31-Oct-14	0	480920	45936125	0.88%	45936125	0.88%
	07-Nov-14	0	507289	46443414	0.89%	46443414	0.89%
	14-Nov-14	0	379848	46823262	0.90%	46823262	0.90%
	21-Nov-14	0	57980	46881242	0.90%	46881242	0.90%
	28-Nov-14	0	3909690	50790932	0.97%	50790932	0.97%
	05-Dec-14	0	1321628	52112560	1.00%	52112560	1.00%
	12-Dec-14	0	2258109	54370669	1.04%	54370669	1.04%
	19-Dec-14	0	1543952	55914621	1.07%	55914621	1.07%
	31-Dec-14	0	3855978	59770599	1.14%	59770599	1.14%
	02-Jan-15	0	265513	60036112	1.15%	60036112	1.15%
	09-Jan-15	0	193353	60229465	1.15%	60229465	1.15%
	16-Jan-15	0	220073	60449538	1.16%	60449538	1.16%
	23-Jan-15	102339	0	60347199	1.15%	60347199	1.15%
	30-Jan-15	0	9759	60356958	1.15%	60356958	1.15%
	06-Feb-15	0	22792	60379750	1.15%	60379750	1.15%
	13-Feb-15	187479	0	60192271	1.15%	60192271	1.15%
	20-Feb-15	46605	0	60145666	1.15%	60145666	1.15%
	27-Feb-15	790907	0	59354759	1.13%	59354759	1.13%
	06-Mar-15	0	609448	59964207	1.15%	59964207	1.15%
	13-Mar-15	222688	0	59741519	1.14%	59741519	1.14%
	20-Mar-15	229446	0	59512073	1.14%	59512073	1.14%
	27-Mar-15	0	449375	59961448	1.15%	59961448	1.15%
	31-Mar-15	0	0	59961448	1.15%	59961448	1.15%
At the end of the year (or on the date of separation, if separated during the year)							

4. AMERICAN FUNDS INSURANCE SERIES INTERNATIONAL FUND

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	70440440	1.35%	70440440	1.35%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	22-Aug-14	1661986	0	68778454	1.31%	68778454	1.31%
	29-Aug-14	564414	0	68214040	1.30%	68214040	1.30%
	13-Mar-15	5675000	0	62539040	1.20%	62539040	1.20%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	62539040	1.20%	62539040	1.20%

5. LIFE INSURANCE CORPORATION OF INDIA

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	164489957	3.14%	164489957	3.14%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	13-Mar-15	1746736	0	162743221	3.11%	162743221	3.11%
	20-Mar-15	2776611	0	159966610	3.06%	159966610	3.06%
	27-Mar-15	4311439	0	155655171	2.98%	155655171	2.98%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	155655171	2.98%	155655171	2.98%

6. EUROPACIFIC GROWTH FUND

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	296023422	5.66%	296023422	5.66%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	296023422	5.66%	296023422	5.66%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	296023422	5.66%	296023422	5.66%

7. NEW WORLD FUND INC

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	92408870	1.77%	92408870	1.77%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	22-Aug-14	0	3550000	95958870	1.83%	95958870	1.83%
	29-Aug-14	0	1000000	96958870	1.85%	96958870	1.85%
	24-Oct-14	0	900000	97858870	1.87%	97858870	1.87%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	97858870	1.87%	97858870	1.87%

8. INTERNATIONAL GROWTH AND INCOME FUND

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	36840000	0.70%	36840000	0.70%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	1-Aug-14	2878236	0	33961764	0.65%	33961764	0.65%
	8-Aug-14	6941714	0	27020050	0.52%	27020050	0.52%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	27020050	0.52%	27020050	0.52%

9. T. ROWE PRICE INTERNATIONAL STOCK FUND

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	36370251	0.70%	36370251	0.70%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	23-May-14	3044749	0	33325502	0.64%	33325502	0.64%
	30-May-14	1260373	0	32065129	0.61%	32065129	0.61%
	8-Aug-14	0	3000767	35065896	0.67%	35065896	0.67%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	35065896	0.67%	35065896	0.67%

10. CAPITAL WORLD GROWTH AND INCOME FUND

For Each of the Top 10 Shareholders	Date	Reason		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year	
		Sold	Bought	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2015	01-Apr-14	0	0	64038000	1.22%	64038000	1.22%
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)		0	0	64038000	1.22%	64038000	1.22%
At the end of the year (or on the date of separation, if separated during the year)	31-Mar-15	0	0	64038000	1.22%	64038000	1.22%

EXTRACT OF ANNUAL RETURN

1. Shri R. N. Nayak, CMD

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	11,721	0	11,721	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	11,721	0	11,721	0

2. Shri I. S. Jha, Director (Projects)

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	2,998	0	2,998	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	2,998	0	2,998	0

3. Shri R. T. Agarwal, Director (Finance)

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	3,056	0	3,056	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	3,056	0	3,056	0

4. Shri Ravi P. Singh, Director (Personnel)

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	9,016	0	9,016	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	9,016	0	9,016	0

5. Shri R. P. Sasmal, Director (Operations)

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	1,798	0	1,798	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	1,798	0	1,798	0

6. Dr. Pradeep Kumar, Govt. Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	0	0	0	0

7. Smt. Jyoti Arora, Govt. Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	0	0	0	0

8. Shri R. K. Gupta, Independent Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	0	0	0	0

9. Dr. K. Ramalingam, Independent Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	0	0	0	0

10. Shri R. Krishnamoorthy, Independent Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	286	0	286	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	286	0	286	0

11. Shri Ajay Kumar Mittal, Independent Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	879	0	879	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	879	0	879	0

12. Shri Mahesh Shah, Independent Director

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	0	0	0	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	0	0	0	0

13. Smt. Divya Tandon, Company Secretary

For Each of the Directors & KMP	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No of shares	% of total shares of the company
At the beginning of the year 01/04/2014	15,337	0	15,337	0
Date wise increase/decrease in Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	0	0	0	0
At the end of the year 31/03/2015	15,337	0	15,337	0

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	76,063.45	7,106.41	N/A	83,169.86
ii) Interest due but not paid	-	-		
iii) Interest accrued but not due	2030.66	29.78		2,060.44
Total (i+ii+iii)				

Change in Indebtedness during the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Additions	16,531.76	1,741.61		18,273.37
Reduction	3,658.58	2,740.11		6,398.69
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	88,936.63	6,107.91		95,044.54
ii) Interest due but not paid				
iii) Interest accrued but not due	2330.72	35107		37,437.72
Total (i+ii+iii)	91,267.35	41,214.91		132,482.26

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (2014-15)

A. Remuneration to Managing Director, Whole time director and/or Manager:

Sl No.		Name of the MD/WTD/Manager					Total Amount
		Shri R. N. Nayak, CMD	Shri I. S. Jha, Director (Projects)	Shri R. T Agarwal, Director (Finance) & CFO	Shri Ravi P. Singh, Director (Personnel)	Shri R. P. Sasmal, Director (Operations)	
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	3915592.02	4834506.59	3915592.02	4656322.82	4093610.02	21415623.47
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	726253.74	829081.79	726253.74	796283.77	706920.37	3784793.41
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
	as % of profit	0	0	0	0	0	0
	others (specify)	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0
	Total (A)	4641845.76	5663588.38	4641845.76	5452606.59	4800530.39	25200416.88
	Ceiling as per the Act	Not applicable to the Government Company					

B. Remuneration to other directors:

Sl No.		Name of the MD/ WTD/ Manager						Smt. Rita Sinha *	Total Amount
		Shri R. K. Gupta	Dr. K. Ramalingam	Shri R. Krishnamoorthy	Shri Ajay Kumar Mittal	Shri Mahesh Shah	Shri Santosh Saraf*		
1	Independent Directors								
	(a) Fee for attending board committee meetings	440,000.00	380,000.00	580,000.00	780,000.00	380,000.00	480,000.00	480,000.00	3,520,000.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (1)	440,000.00	380,000.00	580,000.00	780,000.00	380,000.00	480,000.00	480,000.00	3,520,000.00
2	Other Non Executive Directors								
	(a) Fee for attending board committee meetings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(b) Commission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	(c) Others, please specify.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (2)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total (B)=(1+2)	440,000.00	380,000.00	580,000.00	780,000.00	380,000.00	480,000.00	480,000.00	3,520,000.00
	Total Managerial Remuneration	440,000.00	380,000.00	580,000.00	780,000.00	380,000.00	480,000.00	480,000.00	3,520,000.00
	Overall Ceiling as per the Act.	₹ 100,000/- per Board Meeting or Committee Meeting							

* Shri Santosh Saraf and Smt. Rita Sinha ceased to be Independent Directors w.e.f. 27th December, 2014 on completion of their tenure of three years.

REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/ WTD (2014-15)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary	CFO	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	3479781.82	0	3479781.82
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	105340.8	0	105340.80
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	as % of profit	0	0	0	0
	others, specify	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	0	3585122.62	0	3585122.62

**VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES
NOT APPLICABLE**

	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
	Penalty				
	Punishment				
	Compounding				
B. DIRECTORS					
	Penalty				
	Punishment				
	Compounding				
C. OTHER OFFICERS IN DEFAULT					
	Penalty				
	Punishment				
	Compounding				

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance.

1. THE COMPANY'S GOVERNANCE PHILOSOPHY:

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in a Company. It is a system by which business corporations are directed and controlled. POWERGRID believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies. POWERGRID's Governance process is focused towards its Vision of **"World Class, Integrated, Global Transmission Company With Dominant Leadership in Emerging Power Markets Ensuring Reliability, Safety and Economy"** and its mission i.e. **"We will become a Global Transmission Company with Dominant Leadership in Emerging Power Markets with World Class Capabilities by:**

- 1. World Class: Setting superior standards in capital project management and operations for the industry and ourselves.**
- 2. Global: Leveraging capabilities to consistently generate maximum value for all stakeholders in India and in emerging and growing economies.**
- 3. Inspiring, nurturing and empowering the next generation of professionals.**
- 4. Achieving continuous improvements through innovation and state of the art technology.**
- 5. Committing to highest standards in health, safety, security and environment."**

The Corporate Governance of POWERGRID is geared by the following:

- To meet the short term, medium term & long term objectives and specific targets every year set by the Government of India and the persons at the helm of its affairs, i.e. the Board, by empowering people at the most appropriate levels keeping the job profile/functions in view.
- To respond to the challenges and the emerging opportunities and to play a pivotal role in the economic development of the country.

The corporate governance structure specifies the distribution of rights, responsibilities and powers among different participants in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are proceeded ahead after approval by the Board.

POWERGRID is a "NAVRATNA PSE" since May 2008. The NAVRATNA status has provided the Company more flexibility and autonomy in terms of making investments and operational decisions. Now, the Board of Directors of POWERGRID is the approving Authority to incur capital expenditure on purchase of new items or for replacement without any monetary ceiling. The ceiling on equity investment to establish joint ventures and wholly owned subsidiaries in India or abroad is 15% of the net worth of POWERGRID. However, in one project the ceiling on equity investment is limited to ₹1000 crore. The overall ceiling on such investment in all projects put together is 30% of the net worth of POWERGRID.

The Board of Directors comprises Chairman and Managing Director, Functional Directors, Govt. Nominee Directors and Non Official Part Time Directors (Independent Directors). The rights and obligations of the employees are delineated in the policy Manuals published and the amendments are notified, from time to time. The powers of the internal participants i.e. top executives and below are laid down in the well established and practiced "Delegation of Powers". POWERGRID has also prepared and implemented "Works and Procurement Policy and Procedure for Pre-award and Post-award Stages" with a view to making the policies and procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility. The Board has also constituted several Committees viz. Audit Committee; Stakeholders Relationship Committee; Nomination and Remuneration Committee; Risk Management Committee; Committee on Investment on Projects; Committee on Award of Contracts; Committee for Bonds; Committee for Award of Contracts relating to Rural Electrification (RE) and other Deposit Works; CSR Committee; Vigilance Disciplinary Cases Committee etc. to have better and more focused attention. Advisory Boards of eminent persons are in place for Environment and Social Policy and Procedures, R&D and for Telecom to advise POWERGRID on critical issues/consensus building in these areas.

Besides adhering to provisions of Listing Agreement, POWERGRID also follows the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India. The compliance of the Company with the conditions of the Corporate Governance and the disclosure requirements for the Year 2014-15 are given below:

2. Board of Directors:

2.1 Size of the Board

POWERGRID is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013 and the President of India presently holds 57.89% of the total paid-up share capital. As per Articles of Association, the power to appoint Directors rests with the President of India.

In terms of Articles of Association of the Company, the strength of our Board shall not be less than four Directors and not more than eighteen Directors. These Directors may be either whole-time Directors or part-time Directors.

2.2 Composition of the Board

As on 31st March, 2015, the Board comprised Twelve Directors out of which five were whole-time Directors including the Chairman & Managing Director, two Government nominees and five Independent Directors.

Sub-section (4) of Section 149 of the Companies Act 2013 stipulates that every listed company should have at least one-third of the total number of directors as independent directors. All the Independent Directors have met the requirements specified under Section 149 (6) of the Companies Act, 2013 for holding the position of 'Independent Director'.

Clause 49 II (A) of the Listing Agreement with Stock Exchanges, stipulates that half of the Board members of your Company should be Independent Directors. The requirement of minimum number of independent Directors as per this clause was not fully met during FY2014-15 since 27.12.2014.



2.3 Age Limit and Tenure of Directors

The age limit of the Chairman & Managing Director and other whole-time Directors is 60 years.

The Chairman & Managing Director and other whole-time Directors are appointed for a period of five years from the date of taking over of charge or till the date of superannuation of the incumbent or till further orders from the Government of India, whichever event occurs earlier.

Government Nominee Directors representing Ministry of Power, Government of India retire from the Board on ceasing to be officials of the Ministry of Power.

Independent Directors have been appointed by the Government of India usually for tenure of three years.

In line with the provisions of Articles of Association of POWERGRID, the whole-time Functional Directors of the Company including Director (Finance) referred to as CFO have been appointed by the Administrative Ministry through Public Enterprises Selection Board.

The tenure of Directors as on 31st March, 2015 was as follows:

Details of Directors		Name	Date of Joining on the Board	Date of superannuation/ completion of Tenure
Category (Functional/ Official/ Non-official)	Designation			
1. Whole Time Directors	Chairman & Managing Director	Shri R. N. Nayak	01.09.2011	Date of superannuation - 30.09.2015.
	Director(Projects)	Shri I. S. Jha	01.09.2009	Completion of tenure – 30.06.2019. Date of superannuation - 30.06.2019.
	Director (Finance)	Shri R. T. Agarwal	29.07.2011	Completion of tenure – 28.07.2016. Date of superannuation – 31.08.2016.
	Director (Personnel)	Shri Ravi P. Singh	01.04.2012	Completion of tenure – 31.03.2017. Date of superannuation – 31.01.2020.
	Director (Operations)	Shri R. P. Sasmal	01.08.2012	Completion of tenure – 31.07.2017. Date of superannuation – 28.02.2018.
2. Govt. Nominees Part – time Directors	JS & FA, Ministry of Power	Dr. Pradeep Kumar	10.09.2013	Till the President desires
	JS (Trans.) Ministry of Power	Smt. Jyoti Arora	20.03.2014	Till the President desires
3. Non-official Part-time Directors	Non-official Part-time Director (Independent Director)	Shri R. K. Gupta	16.01.2013	For a period of three years with effect from the date of appointment or until further orders, whichever event occurs the earlier.
		Dr. K. Ramalingam		
		Shri R. Krishnamoorthy		
		Shri Ajay Kumar Mittal		
		Shri Mahesh Shah		

Shri Santosh Saraf and Smt. Rita Sinha ceased to be Independent Directors w.e.f. 27th December, 2014 on completion of their tenure of three years.

2.4 Board Meetings and Attendance:

The meetings of the Board of Directors are normally held at the Registered Office of the Company. Meetings are generally scheduled well in advance and the Notice, detailed Board agenda, management reports and other explanatory Board notes are circulated to the Directors. The members of the Board have complete access to all information of the Corporation. Senior management is also invited to the Board meetings to provide additional input to the items being discussed by the Board. In case of urgency, resolutions are passed by circulation.

During the financial year ended 31st March, 2015 twelve Board meetings were held on 13th May, 29th May, 21st June, 4th August, 17th September, 29th October, 11th November, 24th December, of the year 2014, and 29th January, 11th February, 4th March and 24th March, of the year 2015. The maximum interval between any two meetings during this period was 43 days. Details of number of Board meetings attended by Directors, attendance at last AGM, number of other directorship in other Companies / committee membership (viz. Audit Committee and Shareholders'/ Investors' Grievance Committee as per Clause 49 II (D) – Explanation – (ii) held by them during the year 2014-15 are tabulated below:

Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 18.09.14)	No. of other Directorship held on 31.03.15	No. of Other Committee Membership held on 31.03.2015*	
					Chairman	Member
Whole Time Directors						
Shri R. N. Nayak, Chairman & Managing Director (w.e.f. 01.09.2011)	12	12	Yes	10	NIL	NIL

Name of the Director	Meeting held during respective tenure of Directors	No. of Board Meetings attended	Attendance at the last AGM (held on 18.09.14)	No. of other Directorship held on 31.03.15	No. of Other Committee Membership held on 31.03.2015*	
					Chairman	Member
Shri I. S. Jha, Director (Projects) (w.e.f. 01.09.2009)	12	9	Yes	10	NIL	2
Shri R. T. Agarwal Director (Finance) (w.e.f. 29.07.2011)	12	12	Yes	4	1	2
Shri Ravi P. Singh Director (Personnel) (w.e.f. 01.04.2012)	12	12	Yes	5	NIL	1
Shri R. P. Sasmal Director (Operations) (w.e.f. 01.08.2012)	12	10	Yes	7	NIL	1
Non-executive Directors (Government Nominees)						
Dr. Pradeep Kumar Jt. Secy.& Fin. Adv., Ministry of Power (w.e.f. 10.09.2013)	12	12	Yes	1	NIL	3
Smt. Jyoti Arora Jt. Secy. (T), Ministry of Power (w.e.f. 20.03.2014)	12	5	Yes	2	NIL	NIL
Independent Directors						
Shri Santosh Saraf (w.e.f. 27.12.2011 to 26.12.2014)	8	8	Yes	N/A	N/A	N/A
Smt. Rita Sinha (w.e.f. 27.12.2011 to 26.12.2014)	8	8	Yes	N/A	N/A	N/A
Shri R. K. Gupta (w.e.f. 16.01.2013)	12	12	Yes	NIL	NIL	NIL
Dr. K. Ramalingam (w.e.f. 16.01.2013)	12	12	Yes	NIL	NIL	1
Shri R. Krishnamoorthy (w.e.f. 16.01.2013)	12	10	Yes	4	2	2
Shri Ajay Kumar Mittal (w.e.f. 16.01.2013)	12	12	Yes	1	NIL	1
Shri Mahesh Shah (w.e.f. 16.01.2013)	12	12	Yes	3	1	2

N/A indicates that concerned person was not a Director on POWERGRID's Board on the relevant date.

* In line with Clause 49 of the Listing Agreement, only the Audit Committee and Stakeholders' Relationship Committee have been taken into consideration in reckoning the number of committee memberships of Directors as Chairman and as Member including committee position in POWERGRID.

None of the Directors of the company are in any way related with each other.

2.5 Information to be placed before the Board of Directors, inter alia, includes:

The Board has complete access to any information with the Company. The information regularly supplied to the Board includes:

1. Annual operating plans and budgets and any updates.
2. Annual Accounts, Directors' Report, etc.
3. Quarterly results of the company.
4. Minutes of meetings of Audit Committee and other Committees of the Board including minutes of Subsidiary Companies.
5. Major Investments, formation of Subsidiaries and Joint Ventures, Strategic Alliances, etc.
6. Award of large Contracts.
7. Disclosure of Interest by Directors about Directorship and Committee positions occupied by them in other Companies.
8. Monthly Report on Commercial Status of the Company.
9. Report on the status of various ongoing projects/Scheme and Budget Utilization.



10. Report on the O&M Review.
11. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, etc.
12. Non-compliance of any Regulatory, statutory or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
13. Short-Term investment of surplus funds.
14. Other materially important information.

Post meeting follow-up system:

15. The Governance process in the Company includes an effective post-meeting follow-up, review and reporting process for action taken on decisions of the Board and the Board Committee(s).

3. Committees of the Board of Directors:

The Board has constituted the following Committees:

- i) Audit Committee
- ii) Stakeholders' Relationship Committee
- iii) Nomination and Remuneration Committee
- iv) Committee on Investment on Projects
- v) Committee on Award of Contracts
- vi) Committee for Transfer/Split/Rematerialisation etc. of Shares
- vii) Committee for Bonds
- viii) Committee for Award of Contracts relating to RE and other Deposit Works
- ix) CSR Committee
- x) Risk Management Committee
- xi) Vigilance Disciplinary Cases Committee

3.1 Audit Committee:

As on 31st March, 2015, the Audit Committee comprised the following Directors:

- | | | |
|-----------------------------|---------------------------------|-----------------------------|
| (i) Shri R. Krishnamoorthy | Non-official Part-time Director | : Chairman of the Committee |
| (ii) Dr. Pradeep Kumar | JS & FA, Govt. Nominee Director | : Member |
| (iii) Shri Mahesh Shah | Non-official Part-time Director | : Member |
| (iv) Shri Ajay Kumar Mittal | Non-official Part-time Director | : Member |

The Company Secretary is the Secretary of the Committee.

The constitution, quorum, scope, etc. of the Audit Committee is in line with the Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010, the Companies Act, 2013 and the provisions of the Listing Agreement.

Meetings of Audit Committee

As per the statutory requirement, the Audit Committee is required to meet at least four times in a year and not more than four months should elapse between two meetings in that year. The quorum for the Audit Committee meetings is either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present. The number of meetings of audit committee held during financial year 2014-15 and attendance of members are given in this Report.

Powers of Audit Committee

The powers of the Audit Committee include the following:

1. To investigate any activity within its terms of reference.
2. To seek information on and from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
5. To protect whistle blowers.
6. To consider other matters as referred by the Board.

Role of Audit Committee

The Role of the Audit Committee includes the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation to the Board regarding fixation of audit fee to be paid to statutory auditors appointed by the Comptroller & Auditor General under the Companies Act and approval for payment with respect to any other services rendered by the statutory auditors.
3. Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (c) of Sub-section 3 of Section 134 of the Companies Act, 2013.
 - b. Changes, if any, in accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft audit report.
4. Reviewing/examine, with the management, the quarterly financial statements before submission to the board for approval.
5. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the end use/ utilisation of proceeds of a public or rights issue & related matters and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
8. Discussion with internal auditors and / or auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review / oversee the functioning of vigil mechanism / Whistle Blower mechanism of Company;
13. To review the follow up action on the audit observations of the Comptroller & Auditor General audit.
14. To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament.
15. Provide an open avenue of communication between the independent auditor, internal auditor and the Board.
16. Approval or any subsequent modification of transactions of the company with related parties;
17. Review all related party transactions in the Company. For this purpose, the Audit Committee may designate a member who shall be responsible for reviewing related party transactions;
Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.
18. Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
19. Consider and review the following with the independent auditor and the management:
 - a. The adequacy of internal controls including computerized information system controls and security; and
 - b. Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
20. Consider and review the following with the management, internal auditor and the independent auditor:
 - a. Significant findings during the year, including the status of previous audit recommendations; and
 - b. Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.



21. Review and monitor the Auditor's independence and performance, and effectiveness of audit process.
22. Scrutiny of inter-corporate loans and investments.
23. Valuation of undertakings or assets of the Company, wherever it is necessary.
24. Evaluation of Internal Financial Controls and Risk Management Systems.
25. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee under the Companies Act, 2013, listing requirements/DPE Guidelines, as amended from time to time.

Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Statement of significant related party transactions submitted by management.
3. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
4. Internal Audit Reports relating to internal control weaknesses.
5. The appointment, removal and terms of remuneration of the Chief Internal Auditor.
6. Certification/declaration of financial statements by the Chief Executive Officer/Chief Finance Officer.

Attendance:

During the financial year ended 31st March, 2015, twelve meetings of the Audit committee were held on 1st May, 29th May, 9th June, 7th July, 8th July, 17th July, 4th August, 17th September, 11th November, and 9th December, of the year 2014 and 11th February, and 3rd March of the year 2015.

Attendance at Audit Committee Meetings during the Financial Year 2014-15:

Name	Audit Committee Meeting held during the tenure	
Shri R. Krishnamoorthy, Director	12	9
Shri Pradeep Kumar, JS&FA, MOP	12	4
Shri Ajay Kumar Mittal	12	12
Shri Santosh Saraf, Director*	10	10
Smt. Rita Sinha, Director*	10	10

* Shri Santosh Saraf and Smt. Rita Sinha ceased to be Independent Directors w.e.f. 27th December, 2014 on completion of their tenure of three years.

3.2 Stakeholders' Relationship Committee.

The Company has constituted Stakeholders' Relationship Committee in line with the provisions of the Listing Agreement.

Scope of the Committee

The scope of the Committee is to specifically to consider and resolve the grievances of shareholders, debenture-holders, and other security holders of the company including the complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, etc. of the Company.

Composition

As on 31st March, 2015 the Committee comprised the following Directors:

- | | | |
|--------------------------|---------------------------------|-----------------------------|
| (i) Shri Mahesh Shah | Non-official Part-time Director | : Chairman of the Committee |
| (ii) Dr. K. Ramalingam | Non-official Part-time Director | : Member |
| (iii) Shri R. T. Agarwal | Director (Finance) | : Member |
| (v) Shri Ravi P. Singh | Director (Personnel) | : Member |

The Company Secretary is the Secretary of the Committee.

Two meetings of the Stakeholders' Relationship Committee were held during the financial year 2014-15 on 28th May 2014 and 8th December, 2014, respectively.

Attendance at Stakeholders' Relationship Committee meeting during the Financial Year 2014-15:

Name	Shareholders'/Investors' Grievance Committee Meeting held during the tenure	
	Held	Attended
Shri Mahesh Shah	2	2
Dr. K. Ramalingam	2	2
Shri R. T. Agarwal	2	2
Shri Ravi P. Singh	2	1
Shri Santosh Saraf *	2	2

* Shri Santosh Saraf ceased to be Independent Director w.e.f. 27th December, 2014 on completion of his tenure of three years.

Name and designation of Compliance Officer

Ms. Divya Tandon, Company Secretary is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

Investors' Grievances

During the financial year ending 31st March, 2015, the Company has attended to investors' grievances expeditiously except for the cases constrained by disputes or legal impediment. The details of the complaints received and disposed off during the year are as under:

S. No.	Description	Opening Balance	Received	Attended	Pending
1	Non receipt of refund orders	0	265	265	0
2	Non receipt of dividend warrants	0	1006	1006	0
3	Non receipt of share certificate	0	56	56	0
4	SEBI	6	26	32	0
5	Stock Exchange	0	24	24	0
6	Advocate Notices	0	0	0	0
7	Consumer Forum/Court cases	0	0	0	0
	Total	6	1377	1383	0

Investors' complaints pending as on 31st March, 2015 have been subsequently attended.

Shares lying in Share Escrow Account

In pursuance of Clause 5A I (g) of the Listing Agreement, it is disclosed that:

- In respect of your Company's IPO, 40,990 shares held by 211 shareholders as on 01.04.2014 were lying in the Suspense Account.
- In respect of FPO, 4079 shares held by 22 shareholders as on 01.04.2014 were lying in the Suspense Account.
- In respect of 2nd FPO, 2005 shares held by 6 shareholders as on 01.04.2014 were lying in the Suspense Account.
- 26 shareholders had approached POWERGRID for transfer of 5292 shares from Suspense Account during the year 2014-15 in respect of IPO and POWERGRID has transferred 5292 shares related to 26 shareholders during the year.
- 3 shareholders had approached POWERGRID for transfer of 344 shares from Suspense Account during the year 2014-15 in respect of FPO and POWERGRID has transferred 344 shares related to 3 shareholders during the year.
- 5 shareholders had approached POWERGRID for transfer of 1479 shares from Suspense Account during the year 2014-15 in respect of 2nd FPO and POWERGRID has transferred 1479 shares related to 5 shareholders during the year.
- In respect of IPO, the aggregate number of shareholders as on 31.03.2015 were 185 and the outstanding shares in the Suspense Account lying as on 31.03.2015 were 35698 shares.
- In respect of FPO, the aggregate number of shareholders as on 31.03.2015 were 19 and the outstanding shares in the Suspense Account lying as on 31.03.2015 were 3735 shares.
- In respect of 2nd FPO, the aggregate number of shareholders as on 31.03.2015 was 1 and the outstanding shares in the Suspense Account lying as on 31.03.2015 were 526 shares.

The voting rights on the shares in Demat Suspense Account will remain frozen till the rightful owners of such shares claim the shares. These shares are lying in the demat form in a Pool Account with the Registrars i.e. M/s Karvy Computershare Pvt. Ltd. and the benefits accrued on them are being properly accounted for.



Centralized Web Based Complaint Redressal System- SCORES.

The centralized web based Complaint Redressal System of SEBI i.e. SCORES (SEBI Complaints Redress System) is in place since June, 2011. Through SCORES, shareholders can register their complaints against the Company for redressal. When the complaint is registered, a unique complaint registration number is allotted for future reference and tracking. Status of every complaint lodged can also be viewed online and the Shareholder can send reminder for their complaint. The concerned entity (Company or Intermediary) takes action for redressal of the complaints and uploads Action Taken Report on line. SEBI disposes off the complaints if it is satisfied that the complaints have been redressed adequately. A Shareholder, who is not accessing SCORES can lodge his/her complaint in physical form also.

3.3 Nomination and Remuneration Committee

POWERGRID had constituted Nomination and Remuneration Committee in line with the requirements of Companies Act, 2013 and Listing Agreement on 24th December, 2014 with the following Directors as members of the Committee:

Shri R. Krishnamoorthy	Chairman	Non-official Part-time Director
Shri R. N. Nayak	Member	Chairman & Managing Director
Dr. Pradeep Kumar	Member	JS & FA, MOP
Smt. Jyoti Arora	Member	Jt. Secy., MOP
Shri R. K. Gupta	Member	Non-official Part-time Director
Shri Ajay Kumar Mittal	Member	Non-official Part-time Director

The Nomination and Remuneration Committee decides the annual bonus/variable pay pool and policy for its distribution across the employees within the prescribed limits. No meeting of Nomination and Remuneration Committee was held during the Financial Year 2014-15.

Remuneration of Directors

POWERGRID, being a Government Company, the appointment, tenure and remuneration of Directors is decided by the President of India. Remuneration paid to Chairman & Managing Director and Functional Directors during the Year 2014-15 was as per terms and conditions of their appointment. Independent Directors are paid only sitting fees per Board / Committee meeting attended {rate fixed by the Board within the ceiling fixed for payment of sitting fee without Government approval under the Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with the Section 197 of the Companies Act, 2013} and in accordance with the Government Guidelines for attending the Board Meeting as well as Committee Meetings.

The remuneration paid to the Whole time Directors during the year 2014-15 is as under:

S. No.	Directors	Designation	Salary (in ₹)	Benefits (in ₹)	Bonus / Commission (in ₹)	Performance Linked Incentive (in ₹)	Total (in ₹)
1.	Shri R. N. Nayak	Chairman & Managing Director	2016709.00	1802443.31	-	1804924.50	5624076.81
2.	Shri I. S. Jha	Director (Projects)	2070899.00	1995020.91	-	1448451.97	5514371.88
3.	Shri R. T. Agarwal	Director (Finance)	1981353.00	1268115.77	-	1360717.20	4610185.97
4.	Shri Ravi P. Singh	Director (Personnel)	2021826.00	2514627.14	-	1388305.40	5924758.54
5.	Shri R. P. Sasmal	Director (Operations)	1962593.00	947215.15	-	1182889.42	4092697.57

The Government nominee Directors on the POWERGRID's Board do not draw any remuneration/sitting fee for attending Board/ Committee meetings from the Company. The Independent Directors were paid sitting fee of ₹ 20,000/- per meeting for attending Board/Committee Meetings.

Details of Payment made towards sitting fee to Independent Directors during the year 2014-15 are given below:

Name of Non-official Part-time Directors	Sitting Fees		Total (₹)
	Board Meeting (₹)	Committee of Board of Directors Meeting (₹)	
Shri R. K. Gupta	2.40	2.00	4.40
Dr. K. Ramalingam	2.40	1.40	3.80
Shri R. Krishnamoorthy	2.00	3.80	5.80
Shri Ajay Kumar Mittal	2.40	5.40	7.80
Shri Mahesh Shah	2.40	1.40	3.80
Shri Santosh Saraf *	1.60	3.20	4.80
Smt. Rita Sinha *	1.60	3.20	4.80

* Shri Santosh Saraf and Smt. Rita Sinha ceased to be Independent Directors w.e.f. 27th December, 2014 on completion of their tenure of three years.

As on 31.03.2015 the Directors' Shareholding was as under:

S. No.	Name of Directors	No. of Equity Shares Held
1.	Shri R. N. Nayak	11,721
2.	Shri I. S. Jha	2,998
3.	Shri R. T. Agarwal	3,056
4.	Shri Ravi P. Singh	9,016
5.	Shri R. P. Sasmal	1,798
6.	Dr. Pradeep Kumar	-
7.	Smt. Jyoti Arora	-
8.	Shri R. K. Gupta	-
9.	Dr. K. Ramalingam	-
10.	Shri R. Krishnamoorthy	286
11.	Shri Ajay Kumar Mittal	879
12.	Shri Mahesh Shah	-

3.4 Committee on Investment on Projects

The Board has constituted this Committee of Directors to consider investment sanction for new projects and Revised Cost Estimate proposals of ongoing projects as may be required from the Board. As on 31st March, 2015, the Committee comprised the following members:

(i)	Shri R. N. Nayak	CMD	: Chairman of the Committee
(ii)	Shri I. S. Jha	Director (Projects)	: Member
(iii)	Shri R. T. Agarwal	Director (Finance)	: Member
(iv)	Dr. Pradeep Kumar	JS & FA, Govt. Nominee Director	: Member
(v)	Smt. Jyoti Arora	JS(Trans.),Govt. Nominee Director	: Member
(vi)	Shri R. Krishnamoorthy	Non-official Part-time Director	: Member
(vii)	Shri Ajay Kumar Mittal	Non-official Part-time Director	: Member

Six meetings of the Committee on Investment on Projects were held during the financial year 2014-15.

3.5 Committee on Award of Contracts

This Committee of Directors has been constituted for approval of award of contracts of value more than ₹ 30 Crore. but not exceeding ₹ 100 Crore. As on 31st March, 2015, the following Directors were members of the Committee:

(i)	Shri R. N. Nayak	CMD	: Chairman of the Committee
(ii)	Shri I. S. Jha	Director (Projects)	: Member
(iii)	Shri R. T. Agarwal	Director (Finance)	: Member
(iv)	Shri R. P. Sasmal	Director (Operations)	: Member
(v)	Smt. Jyoti Arora	JS (Trans.),Govt. Nominee Director	: Member
(vi)	Shri R. K. Gupta	Non-official Part-time Director	: Member
(vii)	Shri Ajay Kumar Mittal	Non-official Part-time Director	: Member

Eight meetings of the Committee on Award of Contracts were held during the financial year 2014-15.

3.6 Committee for Transfer/Split/Rematerialization etc. of Shares

The Company has constituted a Committee of Directors for Transfer/ Split/ Rematerialisation etc. and other related issues. As on 31st March, 2015, the Committee comprised the following Directors as members:

- i) Shri Ravi P. Singh - Director (Personnel) - Chairman
- ii) Shri I. S. Jha - Director (Projects) - Member, and
- iii) Shri R. T. Agarwal - Director (Finance) - Member

Share Transfers effected during the year have been well within the time prescribed by the Stock Exchanges.

Twenty Nine meetings of the Committee for Transfer/Split/Rematerialization etc. of Shares were held during the financial year 2014-15.



3.7 Committee for Bonds

The Board of Directors of the Company has constituted a Committee of Directors to consider and approve allotment, transfer, transmission, splitting and consolidation of POWERGRID Bonds/Allotment Letters and other matters relating to the Bonds including appointment of Merchant Bankers, Registrar to the Issue, etc. As on 31st March, 2015, the Committee for Bonds comprised the following members:

- | | |
|--|---------------|
| i) Shri R. N. Nayak - Chairman & Managing Director | – Chairman |
| ii) Shri R. T. Agarwal - Director (Finance) | – Member |
| iii) Shri I. S. Jha - Director (Projects) | – Member, and |
| iv) Shri R. P. Sasmal - Director (Operations) | – Member |

Twenty meetings of the Committee for Bonds were held during the financial year 2014-15.

3.8 Committee for Award of Contracts relating to RE and other Deposit Works

This Committee of Directors was constituted to conduct RGGVY Programme of Govt. of India. The power of this committee is to award the contracts relating to RE and other Deposit Works for more than ₹ 30 Cr. and up to ₹ 100 Cr. As on 31st March, 2015, Shri R. N. Nayak, CMD; Shri R. T. Agarwal, Director (Finance); Shri I. S. Jha, Director (Projects); Shri Ravi P. Singh, Director (Personnel) and Shri R. P. Sasmal, Director (Operations) are the members of the Committee.

Seven meetings of the Committee for Award of Contracts relating to RE and other Deposit Works were held during the financial year 2014-15.

3.9 CSR Committee

POWERGRID has constituted a CSR Committee in line with the requirements of the Companies Act, 2013 and Department of Public Enterprises' Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises'. As on 31st March, 2015 the Committee comprised the following members:

- | | | |
|--------------------------|------------------------------------|-----------------------------|
| (i) Shri R. N. Nayak | CMD | : Chairman of the Committee |
| (ii) Shri Ravi P. Singh | Director (Personnel) | : Member |
| (iii) Shri R. T. Agarwal | Director (Finance) | : Member |
| (iv) Shri I. S. Jha | Director (Projects) | : Member |
| (v) Shri Mahesh Shah | Non-official Part-time Director | : Member |
| (vi) Dr. K. Ramalingam | Non-official Part-time Director | : Member |
| (vii) Shri R. K. Gupta | Non-official Part-time Director | : Member |
| (viii) Smt. Jyoti Arora | JS(Trans.), Govt. Nominee Director | : Member |

Two meetings of the CSR Committee were held during the financial year 2014-15.

3.10 Risk Management Committee

POWERGRID had constituted Risk Management Committee in line with the requirement of Listing Agreement with the following Directors as members of the Committee:

- | | | |
|------------------------|----------|---------------------------------|
| Shri R. Krishnamoorthy | Chairman | Non-official Part-time Director |
| Shri Mahesh Shah | Member | Non-official Part-time Director |
| Shri I. S. Jha | Member | Director (Projects) |
| Shri R. P. Sasmal | Member | Director (Operations) |

No meeting of Risk Management Committee was held during the Financial Year 2014-15.

The 'Enterprise Risk Management Framework' (ERM framework) has been implemented in POWERGRID. The details of the same are given in Management Discussion and Analysis forming part of Directors' Report at Annexure I.

3.11 Vigilance Disciplinary Cases Committee

POWERGRID has constituted a Vigilance Disciplinary Cases Committee to deal with the matter related to disciplinary cases. As on 31st March, 2015 the Committee comprised the following members:

- | | | |
|----------------------------|---------------------------------|-----------------------------|
| (i) Shri R. Krishnamoorthy | Non-official Part-time Director | : Chairman of the Committee |
| (ii) Dr. K. Ramalingam | Non-official Part-time Director | : Member |
| (iii) Shri Ravi P. Singh | Director (Personnel) | : Member |

Five meetings of Vigilance Disciplinary Cases Committee were held during the financial year 2014-15.

4. Monitoring of Subsidiaries:

The Company does not have any material unlisted Subsidiary Company in terms of Clause 49 of the Listing Agreement or the subsidiaries as defined under Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, Govt. of India. However, minutes of the meeting of the Board of Directors of the Subsidiaries are placed before the Company's Board periodically. Further, pursuant to revised Clause 49 (V) (D) of Listing Agreement, POWERGRID has formulated a policy for determining 'material' subsidiaries and the policy has been disclosed on the company's website and a web link thereto is also given as under:

http://www.powergridindia.com/_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/POWERGRID%20Policy%20on%20Subsidiaries%20%20.pdf

5. General Body Meetings:

Date, time and location where the last three Annual General Meetings were held are as under:

Year	Date	Time	Venue	Special Resolution
2011-12	19 th September, 2012	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi-110 010	NIL
2012-13	19 th September, 2013	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi-110 010	3
2014-15	18 th September, 2014	11.00 a.m.	Air Force Auditorium, Subroto Park, New Delhi-110 010	1

Resolutions passed through Postal Ballot:

The Shareholders of the Company have approved with requisite majority, the Special Resolutions under the provisions of the Companies Act, 2013 for (1) To raise funds upto ₹13,500 crore during the Financial Year 2014-15 from domestic market in upto eight tranches / offers and each tranche / offer shall be of ₹500 crore / ₹1000 crore of Bonds with Green Shoe Option, by way of private Placement of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Bonds; (2) to provide any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt including ECBs and/or to provide inter corporate loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of ₹ 3000 Crores (Rupees Three Thousand Crores Only) to Project SPVs acquired by POWERGRID under Tariff Based Competitive Bidding viz., Vizag Transmission Limited, POWERGRID NM Transmission Limited, Unchahar Transmission Limited and NRSS XXXI (A) Transmission Limited; and (3) to render all inputs and services as may be required to the Project SPVs acquired by POWERGRID under Tariff Based Competitive Bidding viz., Vizag Transmission Limited, POWERGRID NM Transmission Limited, Unchahar Transmission Limited and NRSS XXXI (A) Transmission Limited on cost to cost basis through Postal Ballot pursuant to Section 110 of the Companies Act, 2013 vide notice dated 3rd June, 2014.

Notice dated 3rd June, 2014 was served to all shareholders for voting through postal ballot as per the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Ms. Savita Jyoti, Practicing Company Secretary was appointed as scrutinizer for conduct of Postal Ballot. The details of the voting are as under:

(1) To raise funds upto ₹13,500 crore during the Financial Year 2014-15 from domestic market in upto eight tranches / offers and each tranche / offer shall be of ₹500crore / ₹1000crore of Bonds with Green Shoe Option, by way of private Placement of secured / unsecured, non-convertible, non-cumulative, redeemable, taxable / tax-free Bonds.

5315 total number of Ballots received.

Promoter/Public	No. of Shares Held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding shares (3) = 2/1*100	No. of Votes in favour (4)	No. of votes Against (5)	% of votes in favour on votes Polled (6) = 4/2*100	% of votes against on votes Polled (7) = 5/2*100
Promoter and Promoter Group	3028835198	2927565398	96.66%	2927565398	0	100.00%	0.00%
Public Institutional Holders	1821595448	1433855155	78.71%	1424810975	9044180	99.37%	0.63%
Public Others	381159002	10634679	2.79%	10595700	38979	99.63%	0.37%
Total	5231589648	4372055232	83.57%	4362972073	9083159	99.79%	0.21%



- (2) To provide any security(ies) / guarantee(s) in connection with loan(s) and/or any form of debt including ECBs and/or to provide inter corporate loan(s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of ₹ 3000 Crores (Rupees Three Thousand Crores Only) to Project SPVs acquired by POWERGRID under Tariff Based Competitive Bidding viz., Vizag Transmission Limited, POWERGRID NM Transmission Limited, Unchahar Transmission Limited and NRSS XXXI (A) Transmission Limited.

5315 total number of Ballots received.

Promoter/Public	No. of Shares Held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding shares (3) = $2/1 \times 100$	No. of Votes in favour (4)	No. of votes Against (5)	% of votes in favour on votes Polled (6) = $4/2 \times 100$	% of votes against on votes Polled (7) = $5/2 \times 100$
Promoter and Promoter Group	3028835198	2927565398	96.66%	2927565398	0	100.00%	0.00%
Public Institutional Holders	1821595448	1433855155	78.71%	1433855155	0	100.00%	0.00%
Public Others	381159002	10613143	2.78%	10572092	41051	99.61%	0.39%
Total	5231589648	4372033696	83.57%	4371992645	41051	100.00%	0.00%

- (3) To render all inputs and services as may be required to the Project SPVs acquired by POWERGRID under Tariff Based Competitive Bidding viz., Vizag Transmission Limited, POWERGRID NM Transmission Limited, Unchahar Transmission Limited and NRSS XXXI (A) Transmission Limited on cost to cost basis.

5315 total number of Ballots received.

Promoter/Public	No. of Shares Held (1)	No. of Votes Polled (2)	% of Votes Polled on Outstanding shares (3) = $2/1 \times 100$	No. of Votes in favour (4)	No. of votes Against (5)	% of votes in favour on votes Polled (6) = $4/2 \times 100$	% of votes against on votes Polled (7) = $5/2 \times 100$
Promoter and Promoter Group	3028835198	2927565398	96.66%	2927565398	0	100.00%	0.00%
Public Institutional Holders	1821595448	1433855155	78.71%	1433855155	0	100.00%	0.00%
Public Others	381159002	10614225	2.78%	10576008	38217	99.64%	0.36%
Total	5231589648	4372034778	83.57%	4371996561	38217	100.00%	0.00%

The Special Resolutions as mentioned in the notice of the postal ballot dt. 3rd June, 2014 have been passed with requisite majority on 21st July, 2014.

6. Disclosures:

- (I) The transactions with related parties contain (i) payment to/from Joint Venture Companies/subsidiaries on account of contracts for works/ services, (ii) remuneration to key management personnel and (iii) equity contribution to JVs & subsidiaries. Details of related party transactions are included in the Notes to the Accounts as per Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and notified by the Central Government and AOC-2 under Annexure-VIII to the Directors' Report.
- (II) The CEO & Director (Finance) of the Company have certified to the Board, the specified matters, as required under Clause 49 IX of the Listing Agreement.
- (III) POWERGRID do not have any material non listed Indian Subsidiary Company.
- (IV) POWERGRID established Enterprise Risk Management Framework and Internal Control Framework for CEO/CFO Certification. General Manager (Corporate Planning) has been appointed as Chief Risk Officer of the Company.
- (V) There are no material individual transactions with related parties which are not in the normal course of business.
- (VI) There are no material individual transactions with related parties or others, which are not on an arm's length basis. Further, pursuant to revised Clause 49VII(C) of Listing Agreement, POWERGRID has formulated a policy on materiality of related party transactions and disclose the same on the website of POWERGRID and a web link is provided as under:

http://www.powergridindia.com/_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/POWERGRID%20Policy%20on%20Related%20Party%20Transactions%20w_e_f_%2024_12_2014.pdf

- (VII) The Company has complied with the requirements of the Listing Agreement with Stock Exchanges and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises, Government of India as well as Regulations and Guidelines prescribed by SEBI. The Company has also generally complied with the

voluntary guidelines on Corporate Governance, 2009 issued by the Ministry of Corporate Affairs, Govt. of India. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets, during the year.

(VIII) The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/representatives of suppliers, contractors, consultants, service provider or any other party doing business with POWERGRID. Whistle Blower Policy has been approved by the Board of Directors and implemented since July, 2011 and the same has been uploaded on the website of POWERGRID. The web link of the Whistle Blower Policy is as under:

http://www.powergridindia.com/_layouts/PowerGrid/WriteReadData/file/Investors/Code%20of%20conduct/Whistle%20Blower%20Policy.pdf

(IX) The Balance Sheet, Profit and Loss Account and Cash Flow Statement for the financial year 2014-15 have been prepared as per the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956.

(X) The Company has adopted all suggested items to be included in the Report of Corporate Governance. Information on adoption (and compliance) / Non-adoption of the non-mandatory requirements is at Annex-I.

CEO/CFO Certification

As required by Clause 49 of the Listing Agreement(s), the Certificate duly signed by Shri R. N. Nayak, Chairman & Managing Director and Shri R. T. Agarwal, Director (Finance) was placed before the Board of Directors at the meeting held on 30.05.2015.

7. Means of Communication:

The Company communicates with its shareholders through its Annual Report, General Meeting, Newspapers and disclosure through website.

The Company also communicates with its Institutional shareholders through Analysts and Investors meets held during the end of each quarter where Directors and Senior Officials of the Company interact with the investing community.

Information and latest updates and announcements made by the Company can be accessed at Company's website: www.powergridindia.com including the following:

- Quarterly /Half-Yearly /Annual Financial Results
- Quarterly Shareholding Pattern
- Quarterly Corporate Governance Report
- Corporate disclosures made from time to time to Stock Exchanges

In order to save trees and environment by cutting down the consumption of costly paper, our Company has been sending the Annual Report and other communications to large number of shareholders from the Financial Year 2010-2011 onwards through e-mail of the shareholders registered with NSDL/ CDSL and after seeking their consent to send the Annual Reports through e-mail. This was in compliance of 'Green Initiative in the Corporate Governance' by Ministry of Corporate Affairs, Government of India and now under Sections 101 & 136 of the Companies Act, 2013 allowing paperless communication by the companies to the shareholders.

Quarterly Results

Publication of Financial Results in Newspapers			
Sl. No.	Publication of Financial Results for the quarter ended	Date(s) of publication	Newspapers
1.	30/06/2014	06/08/2014 07/08/2014	English : Hindustan Times/ Economic Times/ Business Standard/ Financial Chronicle Hindi: Dainik Jagran, Rajasthan Patrika
2.	31/09/2014	13/11/2014 14/11/2014	English : Economic Times/ Hindustan Times/ Financial Express/ Business Standard/Telegraph Hindi: Dainik Jagran/Haribhoomi
3.	31/12/2014	13/02/2015	English: Economic Times/ Business Standard/ Mint/New Indian Express/ Hindi: Amar Ujala/ Hindustan /Dainik Jagran
4.	31/03/2015	31/05/2015 01/06/2015	English : Hindustan Times/ Economic Times/ Financial Express / Telegraph/Mint/Business Line Hindi: Dainik Jagran / Jansatta / Rajasthan Patrika

These Results are also displayed at Company's website www.powergridindia.com

**Official Releases and Presentations**

The Company's official news releases, other press coverage, presentations made to institutional investors or to the analysts are also hosted on the Website.

8. Code of Conduct:

The Board of Directors have laid down two separate Codes of Conduct – one for Board Members and another for Senior Management Personnel in alignment with Company's Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company. The 'Code of Business Conduct and Ethics for Board members' and the 'Code of Business and Ethics for Senior Management Personnel' are available at the website of the Company.

Declaration required under Clause 49 of the Listing Agreement

All the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2014.

New Delhi

Dt. 17.07.2015

Sd/-

(R. N. Nayak)

Chairman & Managing Director

9. Code of Insider Trading

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, POWERGRID Board has laid down "Code of Conduct for Prevention of Insider Trading" with the objective of preventing purchase and/or sale of shares of the Company by an Insider on the basis of unpublished price sensitive information. Under this code, Insiders (i.e. Designated Employees) are prevented to deal in the Company's shares during the closure of Trading Window. To deal in Securities beyond limits specified, permission of Compliance Officer is required. All Directors/Officers/Designated Employees are also required to disclose related information periodically as defined in the Code, which in turn is being forwarded to Stock Exchanges, whenever necessary. Company Secretary has been designated as Compliance Officer for this Code.

10. Seperate Meeting of Independent Directors:

POWERGRID's Board had seven Independent Directors till 26th December, 2014. During the financial year ended 31st March, 2015, one meeting of Independent Directors was held on 5th August, 2014 without the attendance of Functional Directors and Government Directors and the members of management. Another Meeting of Independent Directors was held on 10th August, 2015.

11. Familiarization programme for Independent Directors:

The Company familiarizes the independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc., through various programmes /presentations. The details of such familiarization is disclosed on the company's website and a web link thereto is also given as under:

http://www.powergridindia.com/_layouts/PowerGrid/User/ContentPage.aspx?PIId=336&LangID=English

12. General Shareholders' Information**i) Annual General Meeting**

Date : 15th September, 2015

Time : 11.00 a.m.

Venue : Manekshaw Centre, Parade Road, Delhi Cantt., New Delhi.

ii) Financial Year

The Company's Financial Year is from 1st April to 31st March.

ii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 9th September, 2015 to 15th September, 2015 (both days inclusive).

iv) Payment of dividend

The Board of Directors of the Company has recommended payment of a final Dividend of 13.10% (₹ 1.31 per share) for the financial year ended 31st March, 2015 in addition, an Interim Dividend of 6.90% (₹ 0.69 per share) paid on 19th March, 2015. [Dividend paid in the Previous Year was ₹ 1,349.75 Crore i.e. 25.80% (12.70% Interim Dividend and 13.10% Final Dividend)].

The record date for the payment of Dividend is 8th September, 2015.

v) Dividend History

Year	Total Paid-up Capital as on 31 st March of the Year (₹ in Crore)	Total Amount of Dividend Paid for the Financial Year (₹ in Crore)	Date of AGM in which dividend was declared	Date of Payment of Final Dividend
2008-09	4208.84	505.08	09.09.2009	29.09.2009
2009-10	4208.84	631.34	24.09.2010	19.10.2010
2010-11	4629.73	810.23	19.09.2011	07.10.2011
2011-12	4629.73	976.87	19.09.2012	08.10.2012
2012-13	4629.73	1,273.17	19.09.2013	10.10.2013
2013-14	5231.59	1,349.75	18.09.2014	09.10.2014
2014-15	5231.59	360.98*	04.03.2015**	19.03.2015#

* Amount of Interim Dividend

** Date of Board Meeting declaring Interim Dividend

Date of Payment of Interim Dividend

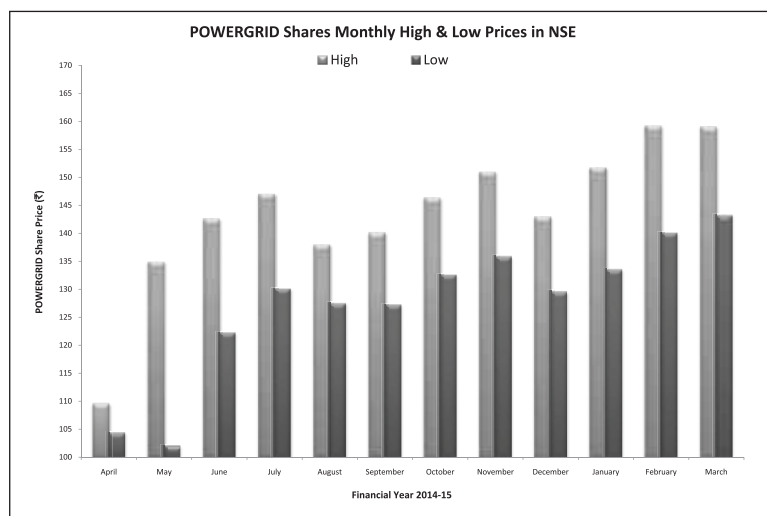
vi) Listing on Stock Exchange

POWERGRID equity shares are listed on the following Stock Exchanges:

National Stock Exchange of India Limited. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051.	BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
Scrip Code : POWERGRID EQ	Scrip Code: 532898
Stock Code: ISIN – INE752E01010	

vii) POWERGRID's Shares Market Price Data - NSE

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2014	109.6	104.35	88817.92
May, 2014	134.8	102	241881.53
June, 2014	142.6	122.2	268302.24
July, 2014	146.95	130	175055.26
August, 2014	137.9	127.45	140255.11
September, 2014	140.1	127.2	142617.2
October, 2014	146.35	132.5	132227.81
November, 2014	150.9	135.85	135244.59
December, 2014	142.9	129.55	74337.33
January, 2015	151.7	133.5	80798.31
February, 2015	159.2	140	71130.9
March, 2015	159	143.2	73782.98

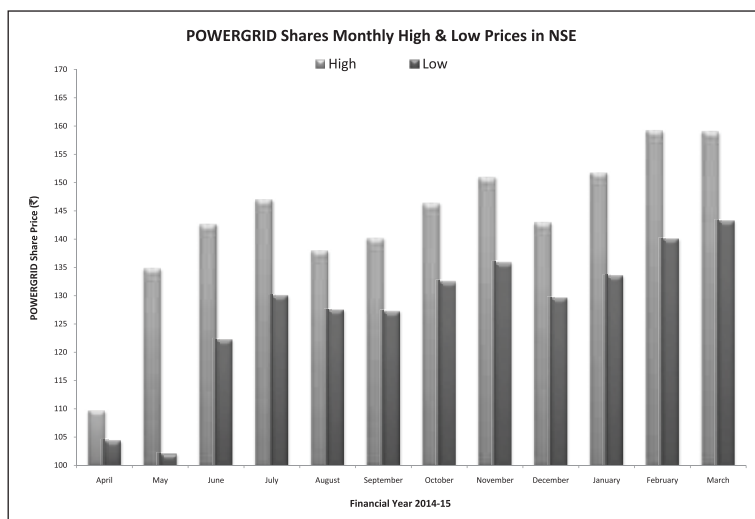




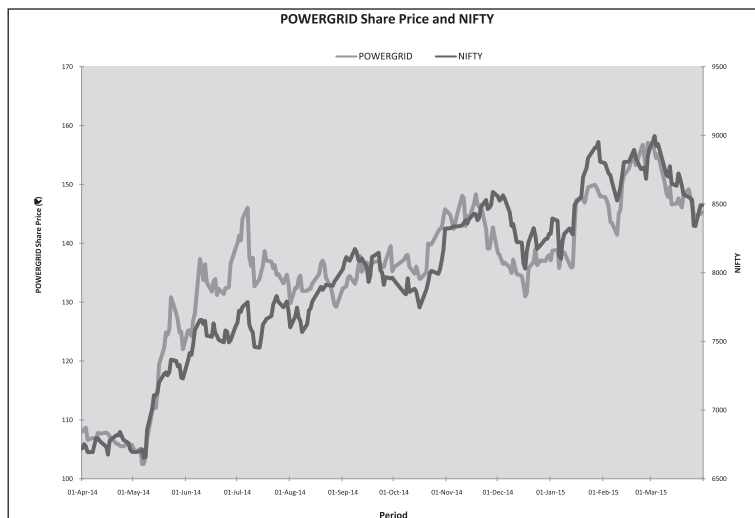
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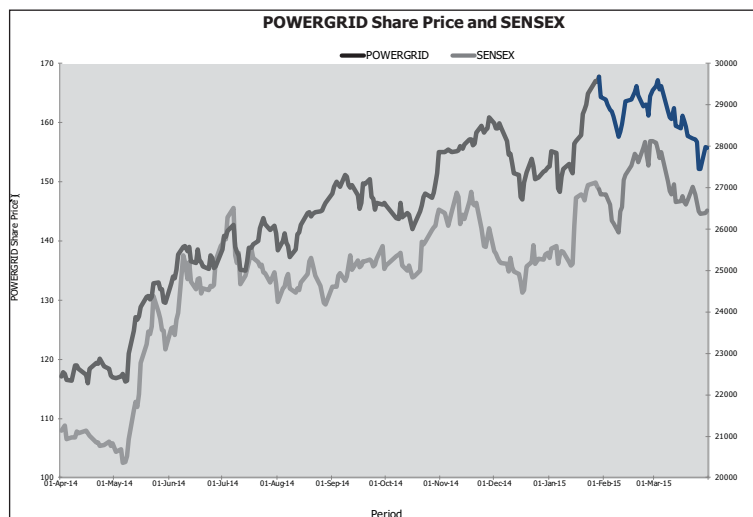
viii) POWERGRID's Shares Market Price Data - BSE

	High (₹)	Low (₹)	Sum of Turnover in Lac (₹) during the Month
April, 2014	109.55	104.4	7031.60
May, 2014	135	102	16932.53
June, 2014	140.9	121.6	24090.52
July, 2014	146.5	129.7	15241.88
August, 2014	137.55	127.65	12494.95
September, 2014	139.75	127.25	11263.49
October, 2014	145.75	132.85	11272.62
November, 2014	150.85	136.05	6062.18
December, 2014	142.85	129.75	4010.46
January, 2015	151.6	133.65	7808.28
February, 2015	159	139.9	8931.49
March, 2015	158.9	143.45	8109.73



ix) Performance in comparison to indices NSE NIFTY, BSE Sensex and POWERGRID





x) Registrar and Transfer Agents.

EQUITY SHARES

Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31& 32,
Gachibowli, Financial District, Nanakramguda,
Serilingampally, Hyderabad - 500 032.
Tele: +91-40-67162222,
Fax: +91-40-23420814,
Tol free No.1800-345-4001.
E-mail: einward.ris@karvy.com

BONDS

MCS Limited,
F-65, Okhla Industrial Area,
Phase-I, New Delhi- 110 020.
Ph: 011-41406148/49/51
Telefax.: 011-41406148
E-mail : admin@mcsdel.com

xi) Share Transfer System

Entire share transfer activities under physical segment are being carried out by Karvy Computershare Private Limited. The share transfer system consists of activities like receipt of shares along with transfer deed from transferees, its verification, preparation of Memorandum of Transfer, etc. Share transfers are approved by Committee of the Board for Transfer/Split/Rematerialization etc. of Shares.

Pursuant to clause 47-c of the Listing Agreement with Stock Exchange, certificate on half-yearly basis confirming due compliance of shares transfer formalities by the Company from Practicing Company Secretary have been submitted to Stock Exchanges within stipulated time.

xii) Shareholding as on 31st March, 2015

Shares held by different categories of shareholders and according to the size of the holdings as on 31st March, 2015 are given below:

According to Size

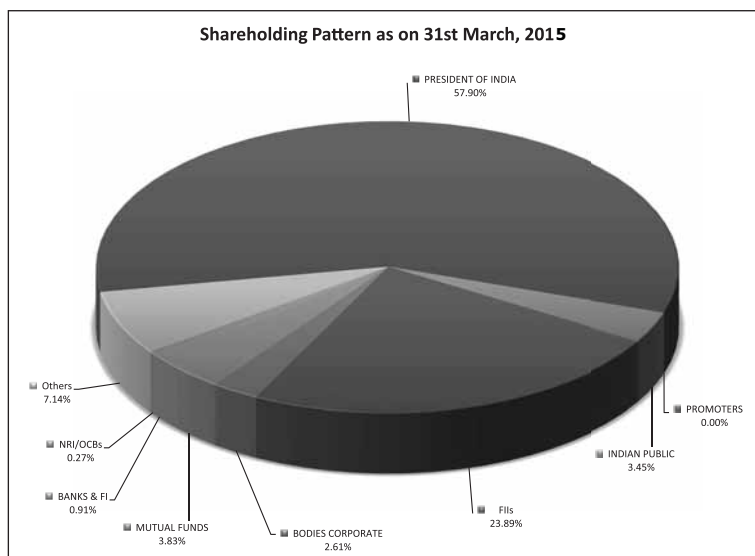
a. Distribution of shareholding according to size, % of holding as on 31st March, 2015:

Category	No. of Cases	% of Cases	Amount	% of Amount
1 – 5000	665065	90.20	1024446620.00	1.96
5001 - 10000	45111	6.12	310050990.00	0.59
10001 - 20000	21391	2.90	269882810.00	0.52
20001 - 30000	2145	0.29	52901550.00	0.10
30001 - 40000	859	0.12	30366270.00	0.06
40001 - 50000	559	0.08	25974250.00	0.06
50001 - 100000	942	0.13	67368450.00	0.13
100001 & Above	1223	0.17	50534905540.00	96.60
TOTAL	737295	100.00	52315896480.00	100.00



b. Shareholding pattern as on 31st March, 2015

Sl. No.	Category	Total Shares	% To Equity
1	PRESIDENT OF INDIA	3028835198	57.89512178
2	PROMOTERS	0	0
3	INDIAN PUBLIC	180493456	3.450069064
4	FIIs	1249857800	23.89059319
5	BODIES CORPORATE	136331571	2.605930132
6	MUTUAL FUNDS	200458699	3.831697677
7	BANKS & FI	47821764	0.914096235
8	NRI/OCBs	14357627	0.274441001
9	OTHERS	373433533	7.13805092
	Total	5231589648	100



c. Major Shareholders

Details of Shareholders holding more than 1% of the paid-up capital of the Company as on 31st March, 2015 are given below:

S. No.	Name of the shareholder	Shares	% Equity	Category
1	PRESIDENT OF INDIA*	2927565398	55.96	POI
2	EUROPACIFIC GROWTH FUND	296023422	5.66	FII
3	LIFE INSURANCE CORPORATION OF LTD	154120166	2.95	INS
4	PRESIDENT OF INDIA**	101269800	1.94	POI
5	NEW WORLD FUND INC	97858870	1.87	FII
6	COMGEST GROWTH PLC A/C COMGEST GROWTH EMERGING MARKETS	65881497	1.26	FII
	CAPITAL WORLD GROWTH AND INCOME FUND	64038000	1.22	FII
6	AMERICAN FUNDS INSURANCE SERIES INTERNATIONAL FUND	62539040	1.20	FII
7	MAGELLAN	61276308	1.17	FPI
8	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	60153819	1.25	LTD

* represented through Ministry of Power

**represented through Ministry of DONER

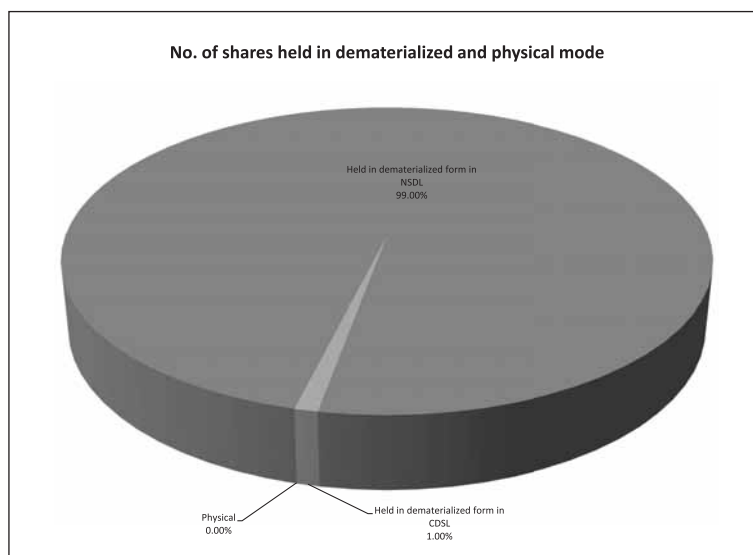
xiii) Dematerialization of Shares

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Secretarial Half-yearly Audit Reports for reconciliation of the share capital of the Company obtained from Practicing Company Secretary have been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode:

S. No.		Number of Holders	Number of Shares	% of total capital issued
1	Physical	23913	44975	0.00
2	Held in dematerialized form in NSDL	503278	5179132136	99.00
3	Held in dematerialized form in CDSL	210104	52412537	1.00
	Total	737295	5231589648	100.00



The name and addresses of the Depositories are as under:

1. National Securities Depository Limited
Trade World, 4th Floor,
Kamala Mills Compound, Senapathi Bapat Marg,
Lower Parel, Mumbai – 400 013.
2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers,
17th Floor, Dalal Street, Mumbai – 400 023.

xiv) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any Convertible instruments have been issued by the Company.

xv) Location of POWERGRID Plants

POWERGRID has no plants as it is in the business of Transmission of Power.

xvi) Address for correspondence:

Power Grid Corporation of India Limited,
B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi – 110 016.

	Telephone No.	Fax No.
Registered Office	011-26560112, 26560121, 26564812, 26564892	011-26601081
Investor Services Department	0124-2571897	0124-2571897
E-mail ID	investors@powergridindia.com	
Public Spokesperson (w.e.f. 21.05.2012) Shri Ravi P. Singh, Director (Personnel)	0124-2571901-02	0124-2571903
E-mail ID	ravipsingh@powergridindia.com	
Company Secretary: Ms. Divya Tandon	0124-2571968	0124-2571969
E-mail ID	dtandon@powergridindia.com	



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Dispatch of Documents in electronic form:

Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and clause 32 of the listing agreements, listed companies are required to supply soft copies of the said documents to all the shareholders who have registered their email address(es) for the purpose.

Accordingly, the said documents will be sent by e-mail to those members who have registered their e-mail address(es) with their DP/the company, in terms of the said clause.

Annexure-1

Non-Mandatory Requirements

1. **The Board:** The Company is headed by an executive Chairman. No person has been appointed as independent director who has been a Director, in the aggregate, exceeding a period of nine years on the Board of POWERGRID.
2. **Shareholder Rights:** The financial results for the half year ended 30th September, 2013 were published in Times of India and Economics Times dated 25th October, 2013 and also put up on website. Separate half year report has, however, not been sent to each household of shareholders. Significant events have been disclosed on the Company website: www.powergridindia.com.
3. **Audit qualifications:** The financial statement for the year 2014-15 has audit qualifications as detailed in the 'Independent Auditors' report.
4. **Separate posts of Chairman and CEO:** POWERGRID being a Government Company, Chairman and Managing Director is appointed by the President of India. There is no separate post of CEO.

Certificate on Corporate Governance:

The Certificate on Corporate Governance has been published as Annexure IX to the Directors' Report.

For and on behalf of the Board of Directors

(R. N. Nayak)

Chairman & Managing Director

Place: New Delhi

Date: 10.08.2015

Certificate on Corporate Governance

To
The Members,

Power Grid Corporation of India Limited

I have examined the compliance of conditions of corporate governance by Power Grid Corporation of India Limited, for the year ended on 31st March 2015 as stipulated in the Clause 49 of the Listing Agreement in respect of Equity Shares of the said Corporation with Stock Exchanges and in the DPE Guidelines.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Corporation for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Corporation.

In my opinion and to the best of my information and according to the explanation given to me, I certify that, the Corporation has complied with all the conditions of Corporate Governance as stipulated in the Listing Agreement except that in the last quarter, as indicated in paragraph 2(2) of the Report, the corporation did not meet with the requirement of minimum number of independent directors stipulated.

I further state that such compliance is neither an assurance as to the future viability of the Corporation nor the efficiency or effectiveness with which the management has conducted the affairs of the Corporation.



(T.V. NARAYNASWAMY)

COMPANY SECRETARY

Place: New Delhi
Date : 18.07.2015

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1	Details of contracts or arrangements or transactions not at arm's length basis	
a)	Name(s) of the related party and nature of relationship	-
b)	Nature of contracts / arrangements / transactions	-
c)	Duration of the contracts / arrangements / transactions	-
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	-
e)	Justifications for entering into such contracts or arrangements or transactions	-
f)	Date(s) of approval by the Board	-
g)	Amount paid as advances, if any :	-
h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	-
2	Details of material contracts or arrangement or transactions at arm's length basis	
A	a) Name(s) of the related party and nature of relationship	1. POWERGRID NM Transmission Limited 2. POWERGRID Vizag Transmission Limited 3. POWERGRID Unchahar Transmission Limited 4. POWERGRID Kala Amb Transmission Limited The aforementioned Project SPVs are 100% wholly owned subsidiaries of POWERGRID acquired by POWERGRID under Tariff Based Competitive Bidding (TBCB).
	b) Nature of contracts / arrangements / transactions	Part (A) POWERGRID to provide security (ies) / guarantee(s) in connection with loan (s) an / or any form of debt including ECBs and / or to provide inter corporate loan (s) on cost to cost basis and back to back servicing, or a combination thereof, upto an amount of ₹ 3000 Crore (Rupees three thousand crore only) to aforementioned Project SPVs . However, the agreements entered into are presently limited to ₹ 2390 crore as per the following amounts: 1. POWERGRID NM Transmission Limited... ₹ 800Cr 2. POWERGRID Vizag Transmission Limited... ₹ 1200Cr 3. POWERGRID Unchahar Transmission Limited... ₹ 90Cr 4. POWERGRID Kala Amb Transmission Limited.... ₹ 300Cr Part (B) POWERGRID to render all inputs and services as may be required by the aforementioned Projects SPVs on cost to cost basis.
	c) Duration of the contracts / arrangements / transactions	Part (A) As mutually agreed Part (B) Commissioning of the TBCB Project including associated reconciliation activities.
	d) Salient terms of the contracts or arrangements or transactions including the value, if any	Refer (b)
	e) Date(s) of approval by the Board, if any	29 th May, 2014
	f) Amount paid as advances, if any:	Nil

B	(a) Name(s) of the related party and nature of relationship:	Bihar Grid Company Limited(BGCL), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for Pre-award Techno Managerial services for Strengthening of Transmission System in Bihar-Phase-IV, (Part-1).
	(c) Duration of contracts / arrangement/ transactions:	9 months from Jan'15 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing all services for finalization and appointment of agency/contractor by BGCL for Strengthening of Transmission System in Bihar-Phase-IV(Part-1). Agreement signed on 21 st Nov'13 with lumpsum service charges of ₹14.0 Cr.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 11.24 Cr. including ₹ 1.4 Cr. towards first installment from BGCL in Jan'15. However, no amount was paid to BGCL as advance for this contract.
C	(a) Name(s) of the related party and nature of relationship:	Bihar Grid Company Limited(BGCL), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for Post-award Techno Managerial services (Post-award Engineering & QA&I only) for Strengthening of Transmission System in Bihar-Phase-IV (Part-1).
	(c) Duration of contracts / arrangement/ transactions:	24 months from Mar'15 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing post-award engineering, quality assurance & inspection related services for the packages awarded by BGCL under strengthening of Transmission System in Bihar-Phase-IV, (Part-1). Agreement signed on 1 st Jan'15. The estimated cost of the project is ₹ 1700.0 Cr. and service charges @ 2% of the actual executed cost of the project.
	(e) Date(s) of approval by the Board, if any:	24 th Dec'14 (308 th Board meeting of POWERGRID)
	(f) Amount paid as advance, if any:	Received ₹ 3.43 Cr. as advance from BGCL in Mar'15. However, no amount was paid to BGCL as advance for this contract.
D	(a) Name(s) of the related party and nature of relationship:	Teestavalley Power Transmission Company Limited(TPTL), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for execution of 2 nos. 400 kV AIS bays and 2x63 MVAR Reactors at Kishenganj POWERGRID S/S (Subsequently, scope revised to GIS from AIS)
	(c) Duration of contracts / arrangement/ transactions:	26 months from Mar'10 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing all services i.e procurement, engineering, implementation including testing and commissioning for 2 nos. 400 kV GIS bays and 2x63 MVAR reactors at Kishenganj. Agreement signed on 1 st Sep'09 having estimated project cost of ₹ 26.78 Cr. and consultancy fee @15% of the actual executed cost of the project.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 4.68 Cr. as advance from TPTL in Mar/Apr'10. However, no amount was paid to TPTL as advance for this contract.

E	(a) Name(s) of the related party and nature of relationship:	Teestavalley Power Transmission Company Limited (TPTL), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for Engineering services for execution of 400 kV D/C Teesta III-Kishanganj line (211 km) associated with Teesta- III HEP(1200 MW) in Sikkim.
	(c) Duration of contracts / arrangement/ transactions:	Mutually agreed (Matching with commissioning of the transmission line)
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing all services for finalization and appointment of agency/contractor by TPTL, pre-award and post-award engineering, quality assurance & inspection related services (except issue of NIT, placement of award, payment towards project cost to contractors, supervision of erection, testing & commissioning) for execution of 400 kV D/C Teesta III-Kishanganj line (211 km) associated with Teesta- III HEP(1200 MW) in Sikkim. Work order date 21 st Apr'09 and lumpsum consultancy fee is ₹16.0 Cr.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 3.43 Cr. as advance from BGCL in Mar'15. However, no amount was paid to BGCL as advance for this contract.
F	(a) Name(s) of the related party and nature of relationship:	North East Transmission Company Limited(NETC), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for execution of 400 kV D/C Palatana- Silchar-Byrnihat-Bongaigaon line (661km) associated with 726.6 MW Palatana GBPP in Tripura.
	(c) Duration of contracts / arrangement/ transactions:	36 months from May'07 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing all services i.e procurement, engineering, implementation including testing and commissioning (except placement of award & payment towards project cost to contractors) for 400 kV D/C Palatana-Silchar-Byrnihat-Bongaigaon line(661km) associated with Palatana GBPP in Tripura. Agreement signed on 16 th Mar'07 having estimated project cost of ₹1195.2 Cr. and consultancy fee @ 10% of the actual executed cost of the project.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 11.95 Cr. as advance from NETC in May'07/Aug'08. However, no amount was paid to NETC as advance for this contract.
G	(a) Name(s) of the related party and nature of relationship:	Teestavalley Power Transmission Company Limited(TPTL), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat-Bongaigaon line(661 km).
	(c) Duration of contracts / arrangement/ transactions:	3 years from Feb'13
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing all services for Operation & Maintenance of 400 KV D/C Pallatana-Silchar-Byrnihat-Bongaigaon line(661 km). Agreement signed on 16 th Jan'13. The consultancy fee is as per CERC norms plus 10% Overhead.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 2.77 Cr. as advance from NETC in Feb'13. However, no amount was paid to NETC as advance for this contract.

H	(a) Name(s) of the related party and nature of relationship:	National High Power Test Laboratory Pvt. Ltd.(NHPTL), Joint Venture Company
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for establishment of On-line High Power Short Circuit Test Facility at Bina Substation.
	(c) Duration of contracts / arrangement/ transactions:	Mutually agreed
	(d) Salient terms of the contracts or arrangement or transactions including the value,if any	Providing all services i.e procurement, engineering, implementation including testing and commissioning for establishment of On-line High Power Short Circuit Test Facility at Bina Substation. Agreement signed on 25 th Nov'10 having estimated project cost of ₹ 247.06 Cr. and consultancy fee @ 10% of the actual executed cost of the project.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 2.45 Cr. as advance from NHPTL in Dec'10. However, no amount was paid to NHPTL as advance for this contract.
I	(a) Name(s) of the related party and nature of relationship:	Power System Operation Corporation Ltd(POSOCO), Subsidiary Company(100%)
	(b) Nature of contracts / arrangements/ transactions:	Consultancy for expansion/replacement of SCADA/EMS system and associated IT Infrastructure at 5-RLDCs & NLDC.
	(c) Duration of contracts / arrangement/ transactions:	5 years from Apr'11 (Extendable automatically in case of delay till completion of the scope as per Agreement)
	(d) Salient terms of the contracts or arrangement or transactions including the value, if any	Providing all services i.e procurement, engineering, implementation including testing and commissioning (except payment towards project cost to contractors) for expansion/replacement of SCADA/EMS system and associated IT Infrastructure at 5-RLDCs & NLDC. Agreement signed on 31 st Mar'11 & amended on 2 nd May'12. The estimated cost of the project worked out subsequent to signing of the Agreement as per the provision in the Agreement is ₹ 65.16 Cr. and consultancy fee @ 12% of the actual executed cost of the project.
	(e) Date(s) of approval by the Board, if any:	Not applicable
	(f) Amount paid as advance, if any:	Received ₹ 1.53 Cr. towards first installment from POSOCO in Sep'11/Mar'12. However, no amount was paid to POSOCO as advance for this contract.



FORM NO. AOC -1

(Pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A": Subsidiaries

		Name of the Subsidiaries							(Amounts in ₹ Crore)
		Power System Operation Corporation Limited	Powergrid NM Transmission Limited	Powergrid Vizag Transmission Limited	Powergrid Vemagiri Transmission Limited	Powergrid Unchahar Transmission Limited	Powergrid Kala Amb Transmission Limited	Vindhyachal Jabalpur Transmission Limited	
S No		(1)	(2)	(3)	(4)	(5)	(6)	(7)	
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A	N.A	N.A	N.A	N.A	N.A	N.A	
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A	N.A	N.A	N.A	N.A	N.A	N.A	
3	Share capital	30.64	24.00	54.73	0.05	0.05	0.05	0.05	0.05
4	Reserves & surplus	211.44	(0.00)	(0.00)	(19.42)	(0.00)	(0.00)	(0.00)	(0.00)
5	Total assets	1056.12	197.56	310.67	0.00	3.00	4.13	18.40	18.40
6	Total Liabilities	814.04	173.56	255.94	19.37	2.95	4.08	18.35	18.35
7	Investments	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
8	Turnover	250.02	NIL	NIL	NIL	NIL	NIL	NIL	NIL
9	Profit before taxation	79.71	NIL	NIL	(0.02)	NIL	NIL	NIL	NIL
10	Provision for taxation	31.67	NIL	NIL	NIL	NIL	NIL	NIL	NIL
11	Profit after taxation	48.04	NIL	NIL	(0.02)	NIL	NIL	NIL	NIL
12	Proposed Dividend	15.32	NIL	NIL	NIL	NIL	NIL	NIL	NIL
13	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

1. Names of subsidiaries which are yet to commence operations:

- I. Powergrid NM Transmission Limited
- II. Powergrid Vemagiri Transmission Limited
- III. Powergrid Vizag Transmission Limited
- IV. Powergrid Unchahar Transmission Limited
- V. Powergrid Kala Amb Transmission Limited
- VI. Vindhyachal Jabalpur Transmission Limited

2. Names of subsidiaries which have been liquidated or sold during the year.

Nil

Part "A": Subsidiaries
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associates/ Joint Ventures	(Amounts in ₹ Crore)											
	Powerlinks Transmission Limited	Torrent Power Grid Limited	Jaypee Powergrid Limited	Parbati Koldam Transmission Company Limited	Teestavalley Power Transmission Limited	North East Transmission Company Limited	National High Power Test Laboratory Private Limited	Energy Efficiency Services Limited	Kalinga Bidyut Prasaran Nigam Private Limited	Bihar Grid Company Limited	Cross Border Power Transmission Company Limited	Power Transmission Company Nepal Ltd
1. Latest audited Balance Sheet Date	6 th May 2015	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	18 th May 2015	Unaudited	Unaudited	Unaudited	30 th April 2015	Unaudited
2. Shares of Associate/ Joint Ventures held by the company on the year end												
No.	229320000	23400000	78000000	70937620	41011762	106964000	239000000	225000000	5000	10025000	4940000	156000
Amount of Investment in Associates/ Joint Venture	229.32	23.40	78.00	70.94	41.01	106.96	23.90	22.50	0.01	10.02	4.94	0.98
Extend of Holding %	49%	26%	26%	26%	26%	26%	20%	25%	50%	50%	26%	26%
3. Description of how there is significant influence	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement	JV Agreement
4. Reason why the associate/ joint venture is not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
6. Net worth attributable to Shareholding as per latest audited Balance Sheet	261.66	28.52	87.07	71.64	40.19	152.52	21.64	28.73	0.00	10.02	4.85	0.98

7. Profit / Loss for the year													
i. Considered in Consolidation	54.94	3.62	17.76	1.12	(0.07)	45.19	NIL	2.59	NIL	NIL	0.01	NIL	
i. Not Considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

Note: The Company has 12 Joint Ventures (JVs) as 31st March, 2015. It does not have any Associate Company other than the JVs.

1. Names of associates or joint ventures which are yet to commence operations

Following Joint Ventures are yet to commence operation

- I. Teestavalley Power Transmission Limited
- II. National High Power Test Laboratory Private Limited
- III. Kalinga Bidyut Prasaran Nigam Private Limited
- IV. Bihar Grid Company Limited
- V. Cross Border Power Transmission Company Limited
- VI. Power Transmission Company Nepal Ltd

2. Names of associates or joint ventures which have been liquidated or sold during the year.

NIL

Sd/- (Divya Tandon) Company Secretary	For and on behalf of the Board of Directors Sd/- (R. T. Agarwal) Director (Finance)	Sd/- (R.N. Nayak) Chairman & Managing Director	Sd/- For Sagar & Associates Chartered Accountants Firm Regn. No. 003510 S	Sd/- For S.K. Mehta & Co. Chartered Accountants Firm Regn. No. 000478 N	Sd/- For Chatterjee & Co. Chartered Accountants Firm Regn. No. 302114 E	Sd/- For CA. D. Manohar Partner Membership No. 029644
Sd/- (CA. Puneet Harjai) Partner Membership No.095715	Sd/- (CA. S.K. Chatterjee) Partner Membership No.003124	Sd/- (CA. D. Manohar) Partner Membership No. 029644	Sd/- For Sagar & Associates Chartered Accountants Firm Regn. No. 003510 S	Sd/- For Chatterjee & Co. Chartered Accountants Firm Regn. No. 302114 E	Sd/- For S.K. Mehta & Co. Chartered Accountants Firm Regn. No. 000478 N	Sd/- For CA. D. Manohar Partner Membership No. 029644

Place : New Delhi
Date : 10.08.2015

Annual Report on Corporate Social Responsibility

Ques.1 A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The CSR Policy of the company was approved by the Board of Directors in its 307th meeting held on 11.11.2014.

The main features of the Policy are:

a) Activities under CSR:

The activities proposed to be undertaken under CSR shall include all the activities mentioned in Schedule VII mentioned in Section 135 (3)(a) of the Companies Act 2013.

- b) The Corporation will give preference to the stakeholders directly impacted by its operation for CSR activities. Since such stakeholders are generally located in the periphery of the commercial operations of the Corporation, POWERGRID will accord priority for CSR activities in the local areas and neighbourhood areas of its operations
- c) Ongoing CSR & Sustainability projects or programs or activities will qualify as valid CSR activities and will be completed as approved.
- d) Priority will be given for CSR activities to the stakeholders directly impacted by the operations of the Corporation
- e) The focus will be on long gestation, high impact projects with commitment being made for the entire expenditure till the completion of the project. Activities which are ad hoc and philanthropic in nature shall be avoided.
- f) CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure
- g) CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on recommendation of its CSR Committee, but do not include any expenditure on item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

2) Mode of Execution of CSR activities:

The CSR activities shall preferably be implemented in project mode. The implementation of various activities will be normally done through placement of award by the Corporation as per Works & Procurement Policy of the Corporation. Services of various departments of Central/State Govt., Panchayati Raj Institutions etc. may also be availed for implementation of CSR activities as deposit works. However, mode of implementation shall be spelt out at the proposal stage itself.

CSR activities/projects/programs may also be taken up in association with a registered trust or a registered society or a company established by the Corporation or its holding or subsidiary or associate company submitted to fulfilling requirements as mentioned in Company's Act.

3) Funding of CSR activities:

The Corporation will be required to spend annually at least two percent of the average net profit made during the three immediately preceding financial years on CSR Policy.

Ques.2. The composition of the CSR Committee.

Shri R.N.Nayak	-	CMD, Chairman of the Committee
Shri I.S.Jha	-	Director
Shri R.T.Agarwal	-	Director
Shri Ravi P Singh	-	Director
Ms.Jyoti Arora	-	Govt. representative Director
Ms.Rita Sinha*	-	Independent Director
Prof.R.K.Gupta	-	Independent Director
Dr. K. Ramalingam	-	Independent Director
Shri Mahesh Shah	-	Independent Director

*Ms. Rita Sinha ceased to be Independent Director w.e.f. 27th December, 2014.

Ques.3. Average Net Profit of the company for last three financial years

Sl.No.		2013-14	2012-13	2011-12
1	Net Profit before Tax (As per Financial Statement)	62,637,477,621	56,448,,594,213	45,975,968,862
2	Add: CSR Expenditure	216,611,569	217,525,608	269,689,449
3	Profit as per Section 198 of Company's Act 2013 (1+2)	62,854,089,190	56,666,119,821	46,245,658,311
4	Average net profit of the company for last three Financial years	55,255,289,107		

Ques.4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above.

CSR @ 2% for FY 2014-15 : 1,105,105,782

Ques.5. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year:

₹ 1,105,105,782/-

b. Amount unspent, if any

Unspent amount is ₹ 630,947,782/- (approx)

c. Manner in which the amount spent during the financial year.

Amount spent during the year is attached at Annexure-I

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The committee approved projects with total estimated cost of ₹ 157.15 Cr. during FY 2014-15 in addition to projects of ₹ 74.48 Cr., carried over from previous years. However, actual expenditure incurred was ₹ 47.42 Cr. The main reasons for less expenditure were:

- The CSR budget was revised from 1% to 2% during the Financial Year.
- Majority of the projects were of Infrastructure Development in rural areas, which involve long implementation period.
- The implementing agencies took longer time in mobilization and execution of work.

7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

It is to state that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Sd/-

(Chief Executive Officer or Managing Director or Director)

Sd/-

(Chairman CSR Committee)

Sd/-

(Person specified under clause (d) of sub-section (1) of section 380 of the Act)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
1	Construction of diversion road near our earth electrode station at Azmatgarh	Building Community Infrastructure	Ballia	UP	65.44	32.72	65.44	Executive Engineer, Rural Engineering Department Mau
2	Construction of Girl Hostel, 3 nos Traffic Lights in Mewat-Nuh Dist. ₹15.15, Beautification of Shaheed Sthal at Nuh and revised proposal for construction of working women hostel at Nuh Mewat, Haryana	Building Community Infrastructure	Mewat- Nuh	Haryana	249.54	0.00	77.30	District Magistrate, Mewat
3	Installation of 200 nos. Solar Lights in Mau, UP	Environment	Mau	UP	44.13	2.51	41.80	UPNEDA
4	Construction of Community Centre at Maa Shitla Mandir in Mau, UP	Building Community Infrastructure	Mau	UP	58.50	29.25	58.50	District Magistrate, Mau
5	Proposal for procurement of tables with benches for Govt. Girls Sr. Secondary School at Village Shahjahanpur near Neemrana S/S	Education - assisting primary education	Neemrana	Raj	4.80	0.00	0.00	Civil contracting agency
6	Construction of RCC Road in village Hansa & Hansani near 765/400 kV S/S (under construction) at Bareilly, UP	Building Community Infrastructure	Bareilly	UP	33.19	25.35	25.35	Civil contracting agency
7	Construction of 200 mtr dry stone pitching pathway at village Mangaon & Surkhet and (ii) 1000 mt cc pathway & 400m dry stone pitching at village Kot and Kandari respectively near Koteswar Pooling Station	Building Community Infrastructure	Koteswar	UK	10.81	2.82	2.82	Civil contracting agency
8	Installation of 100 nos. Hand pumps. (i) 60 nos. Hand Pumps in 53 villages of Sitapur Dist. UP. ii) 40 nos. Hand pumps in 40 villages of Kanpur Dist., UP	Community works - Drinking Water	Sitapur	UP	29.84	16.83	16.83	UP Jal Nigam
9	Construction of 01 no. RCC Culvert (4X6 meter span) at Jamya ghat, near vill-Jamya, block-Santha, district - Sant Kabir nagar (U.P) : VIP ref. of Sh. Kushal Tiwari, Hon'ble MP	Building Community Infrastructure	Sant Kabir Nagar	UP	115.91	46.36	81.13	DM, Sant Kabir Nagar
10	Construction of two class rooms in two schools near Bassi S/stn	Education - assisting primary education	Bassi/ Jaipur	Rajasthan	23.63	21.09	21.09	Civil contracting agency
11	Construction of Drain, retaining wall and Boulder apron from POWERGRID's Substation boundary wall / village cultivated land to Simla by-pass road at Dehradun	Building Community Infrastructure	Dehradun	Uttarakhand	97.12	87.41	87.41	Irrigation Deptt. of Uttarakhand

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
12	(i) Installation of twelve nos. India Mark-II hand pump at villages Bilsarayan and Khanchandpur (six no. each in two villages) nearby 765/400 kV GIS Raina, Kanpur S/stn.	Community works - Drinking Water	Bilsarayan	U.P.	14.42	0.00	0.00	UP Jainigam, Kanpur Dehat
13	Development of school building of Government Secondary School at village Maha Satiyon ki Madri, Dist. Rajsamand near Kankroli S/stn (Renovation of School Building in Madari village near SS)	Education	Rajsamand	Rajasthan	9.31	0.00	0.00	UP Jainigam, Kanpur Dehat
14	Community development works in village Gwalior, Manesar, Haryana near 400KV POWERGRID GIS Manesar S/stn	Community Development - Infrastructure	Manesar	Haryana	259.24	90.74	90.74	M/s Iroon ISL, Delhi
15	Providing Disaster relief vehicle to District Administration Tehri Garhwal District	Disaster relief	Tehri	Uttarakhand	12.61	10.24	10.24	POWERGRID
16	Supply, installation and commissioning of 308 Solar Photovoltaic street lighting system in District Pilibhit, UP near POWERGRID 765/400KV Bareilly S/S	Environment	Pilibhit	U.P.	64.22	40.86	40.86	M/s Rajasthan Electronics & Instruments Ltd.[A Mini Ratna PSU]
17	Construction of RCC 850m Road in village Bar-Gujjar under CSR scheme of POWERGRID	Building Community Infrastructure	Gurgaon	Haryana	41.87	4.05	35.84	Civil contracting agency
18	Construction of RCC culverts in Sant Kabir Nagar	Building Community Infrastructure	Sant Kabir Nagar	UP	98.11	24.53	98.11	RED, Sant Kabir Nagar
19	130 nos. of solar street lights in different areas of Sant Kabir Nagar	Environment	Sant Kabir Nagar	U.P.	28.60	28.60	28.60	RED, Sant Kabir Nagar
20	Construction of 200 KL overhead water tank in Sarai, Bahdrabad in Haridwar, UK	Community works - Drinking Water	Haridwar, UK	UK	69.60	34.80	69.60	U.P. Rajkiya Nirman Nigam Ltd, Camp office: Near-Gurukul Kangari Vishawa Vidhyalaya (Haridwar)
21	Construction of 75 KL overhead water tank in Mohamadpur Bujrang in Haridwar, UK	Community works - Drinking Water	Haridwar, UK	UK	30.40	15.20	30.40	U.P. Rajkiya Nirman Nigam Ltd, Camp office: Near-Gurukul Kangari Vishawa Vidhyalaya (Haridwar)
22	Establishment of Community Radio Station at village Tilipat, Greater NOIDA-UP	Building Community Infrastructure	NOIDA	UP	38.26	28.26	28.26	NOIDA LOK MANCH, Greater Noida
23	Sponsorship of 39 th Kunjapuri "पूजाएं एवं विचारों सेना 2014" AT Tehri Garhwal District.	Art & Culture	Garwah	Uttarakhand	2.00	2.00	2.00	Govt. of Uttarakhand

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
24	Providing learning kits for school teachers in 125 schools of district Bundi	Education	Bundi	Rajasthan	1.63	1.63	1.63	POWERGRID
25	Construction of Pucca Nallah/drain at Abdullapur	Building Community Infrastructure	Yamunanagar	Haryana	28.50	2.85	7.87	Civil contracting agency.
26	Construction of link road from NH-1A to Village Jatwal (Length 1.20 Km) and Const. of internal road in Village Jatwal (Length 675 M) at Samba, J&K	Building Community Infrastructure	Samba	J&K	124.75	10.17	22.65	PWD (R&B), Samba on Deposit work basis.
27	Augmentation of water distribution system for village Dhana Narsan, Bhiwani	Community works - Drinking Water	Bhiwani	Haryana	197.50	125.00	144.75	PHE Department, Govt. of Haryana on Deposit work basis.
28	Maintenance of Trees	Environment	Multiple locations	Punjab, HP, Haryana & J&K	2.97	2.07	2.07	Forest Deptt. Govt. of Jammu & Kashmir
29	Sponsoring 15 under-privileged but talented students of Kashmir for free residential coaching at famous "Super 30" at Srinagar	Education - scholarship	Srinagar	J&K	26.54	2.65	26.54	Indian Army & CSRL
30	Operation of MMU in 23 villages around Nalagarh	Promotion of Health	Solan	HP	9.25	5.09	5.09	Ambuja Cement Foundation on cost sharing basis
31	Re-association for home keeping of mentally retarded children, Chhanni Rama, Jammu	Health	Jammu	J&K	5.00	5.00	5.00	DC, Jammu
32	Construction of six rooms at Govt. Higher Secondary School, Sarthal, Kishtwar, J&K	Education - Infrastructure	Doda	J&K	67.63	0.00	0.00	Civil Contracting agency
33	Setting of Industrial Training Institute (ITI) in J&K by POWERGRID	Education - Infrastructure	Srinagar	J&K	500.00	0.00	0.00	Yet to decide
34	Installation of 25 nos. Hand Pumps	Community works - Drinking Water	Banka	Bihar	12.00	1.94	1.94	Civil contracting agency
35	Installation of 5 Nos ring boring hand pump for SC/ST Habitat of project affected Village, Bara	Community works - Drinking Water	Gaya S/S	Bihar	3.50	1.04	1.04	Civil contracting agency
36	Construction of 02 nos. of toilet blocks one each in S.S Academy high school, Ekangarsarai and Netaji Subhash high school, Islampur, Nalanda and construction of 80 Nos of individual household toilets in Khemanbiga/ Sultanpur (ward no. 03, Nalanda).	Community works - Sanitation facilities	Nalanda	Bihar	34.01	16.84	16.84	Sulabh Sanitary Mission Foundation
37	Construction of 560 mts long PCC Road, at Mahendrapur, Begusarai	Building Community Infrastructure	Begusarai	Bihar	10.36	9.87	9.87	Civil contracting agency

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
38	Providing of Eco Friendly Bag and Play Equipments at Rajdhani Vatika, Patna	Building Community Infrastructure	Patna	Bihar	38.85	0.00	0.00	Supplying agencies
39	Renovation & Fabrication infrastructure for 4 bedded modular ICU unit at District Hospital Aurangabad	Building Educational Infrastructure	Aurangabad	Bihar	102.14	0.00	0.00	Govt. of Bihar
40	Repair & Maintenance of Link Road at Pusauli	Building Community Infrastructure	Saran	Bihar	24.22	24.22	24.22	DM, Pusauli, Govt. of Bihar
41	Construction of Community Centre at Bagodar, Giridih Distt., Jharkhand	Building Community Infrastructure	Giridih	Jharkhand	43.40	0.00	0.00	DM, Giridih, Govt. of Jharkhand
42	Construction of PCC Road for connecting Village Sahdeokhap and main Road near POWERGRID Gaya S/S	Building Community Infrastructure	Gaya	Bihar	12.80	8.95	8.95	Govt. of Bihar
43	Construction of brick soling road around peripher of 400 kv S/S boundary wall at Purnea	Building Community Infrastructure	Purnea	Bihar	14.13	0.00	0.00	DM, Purnea, Govt. of Bihar
44	Providing furniture to 08 nos. Govt. Schools in Patna	Education - Infrastructure	Patna	Bihar	56.07	0.00	0.00	POWERGRID
45	Installation of 50 Handpumps in various places of Dhanbad District, Jharkhand during 2014-15 & 2015-16	Community works - Drinking water	Dhanbad	Jharkhand	33.80	0.00	0.00	Jal Nigam, Govt. of Jharkhand
46	Construction of additional 02 classrooms in Govt. Blind School, Patna	Education - assisting primary education	Patna	Bihar	13.03	5.65	12.60	Civil Deptt., Govt. of Bihar
47	Installation of 30 Handpumps (VIP)	Community works - Sanitation facilities	Bokaro	Jharkhand	20.33	19.87	19.87	Govt. of Jharkhand
48	Renovation of Drainage system	Building Community Infrastructure	Banka	Bihar	6.31	5.97	5.97	Govt. of Bihar
49	Installation of 32 nos. Hand Pumps in Garhwa Distt., Jharkhand	Community works - Sanitation facilities	Garwah	Jharkhand	19.28	16.59	16.59	Civil Contracting Agency
50	Construction of playground and installation of play equipments at Govt. Deaf and Dumb school, Kadamkua, Patna	Building Educational Infrastructure	Patna	Bihar	7.00	3.78	3.78	Govt. of Bihar
51	(i) Construction of Community Hall at Nandugaon, GPO, South Sikkim near New Melli S/s Constrn Office (ii) Construction of Toilets at Kabrey Sr. Secondary School, Namthang, South Sikkim near Rangpo S/s Constrn Office	Building Community Infrastructure	South Sikkim	Sikkim	28.31	13.52	13.52	Civil Contracting Agency
52	Construction of Boundary wall at Changrabandha ICDS & Changrabandha Primary School in Fulbari Area	Building Educational Infrastructure	Jalpaiguri	West Bengal	8.03	5.88	5.88	Civil Contracting Agency

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
53	Renovation of Badminton Court at Indoor Stadium, Namchi, South Sikkim Dist.	Building Community Infrastructure	South Sikkim	Sikkim	15.38	0.00	15.38	District Collector, Namchi, South Sikkim District, Govt. of Sikkim
54	Construction of 2 nos. Classrooms on existing 1 st Floor Roof slab of Burul Govt. Sr. Secondary School, South Sikkim District.	Building Educational Infrastructure	South Sikkim	Sikkim	9.18	8.41	8.41	Civil Contracting Agency
55	Construction of Concrete Footpath in villages - Tingley, Burul, Lower Phungla, Rabi Khola, Bkmat, Tanak & Salebong in South Sikkim Distt.	Building Community Infrastructure	South Sikkim	Sikkim	13.23	8.66	8.66	Civil Contracting Agency
56	Improvement of three village roads at Fulbari viz. (i) Balance portion of Kaccha road from Amaidighi checkpoint to Kalibari, BSF Road (ii) Kaccha Road at Hatiram Jote, Leusipakuri (iii) Road at Juguvita village	Village Development	Jalpaiguri	West Bengal	47.71	0.00	0.00	Under Tendering Stage
57	Construction of 2 nos. classrooms with Physics & Computer Lab Room with PCs & equipments for starting new 10+2 system for science stream at Achra Jagnewar Institution	Building Educational Infrastructure	Burdwan	West Bengal	42.50	20.72	37.45	Civil Contracting Agency
58	Construction of Community Hall at Mushirabad, WB	Building Community Infrastructure	Murshidabad	West Bengal	50.00	27.50	45.00	Rankrishna Mission
59	Construction of two nos. children park under VIP Reference of Shri Moley Ghatak, Hon'ble Minister in charge Law & Judicial Deptt., Govt. of West Bengal	Building Educational Infrastructure	Burdwan	West Bengal	13.62	4.00	9.00	Asansol Municipal Corporation
60	Adoption of pregnant mothers i.e.pregnancy, infancy(0-2 years), working for their health, nutrition, vaccination, working with adolescents (10-19 years) and male members of the family	Health - Eradicating hunger & malnutrition	South 24 Parganas	West Bengal	12.00	4.50	9.00	CINI, Kolkata
61	Construction of balance portion of Boundary wall at Balam Hat LP School and Widening and development of the balance portion of existing road to Sepaipara More	Building Educational Infrastructure	Jalpaiguri	West Bengal	14.95	0.00	0.00	Civil Contracting Agency

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62	(i) Supply of 1 no. Ultrasound Machine to Birpara State General Hospital, Birpara, Jalpaiguri Distt., West Bengal (ii) Supply of 1 no.X-Ray (Digital) Machine to Madhya Rangali Bazna PHC, Khidirpur Ward, Madarihat Block, Jalpaiguri Distt., West Bengal (iii) Construction of additional Patient's ward, Laboratory Room, X-Ray Room, Dressing Room, Nurse's Room and Waiting Hall for patients with toilets	Health - Building Health Infrastructure	Jalpaiguri	West Bengal	31.43	0.00	0.00	POWERGRID
63	Construction of Community Hall at Birpara Park Ground	Building Community Infrastructure	Jalpaiguri	West Bengal	29.54	0.00	0.00	Under Tendering Stage
64	Providing 5 nos. Tube Wells at Dhurmchi-Malangi Basti and Furniture & 1 no. Tube Well at Dhumchi (Haripur) ITDP Primary School, PO: Gopal Bagan, District: Jalpaiguri, West Bengal	Community works - Drinking Water	Jalpaiguri	West Bengal	9.49	0.00	0.00	Civil contracting agency
65	Supply of furniture to Swami Dayalananda Primary School and Jagdish Chandra Smriti Sishu Shiksha Kendra, Narsingpur, Jalpaiguri District, West Bengal	Building Educational Infrastructure	Jalpaiguri	West Bengal	6.27	5.98	5.98	POWERGRID
66	Proposal for providing Furniture and Biology Lab equipments to Amiyabala Balika Vidyalaya (H.S) School, South Garia	Building Educational Infrastructure	South 24 Parganas	West Bengal	11.03	0.00	0.00	POWERGRID
67	Construction of 182 mts.open drain at Parbuk,Roing,Arunachal Pradesh	Infrastructure (Rural Development)	Lower Dibang Valley	Arunachal Pradesh	12.70	9.66	9.66	In Association with PWD
68	Construction of RCC Staging Cum Overload water tank for providing water supply & construction of Cycle Stand at Govt.Middle School,Roing	Building Educational Infrastructure	Lower Dibang Valley	Arunachal Pradesh	12.00	9.20	9.20	Civil contracting agency
69	Providing of Roof Truss with CGI Sheet & Other Allied Repairing Works of Daimu ME School at Harigaon Village,near Salakati S/S	Building Community Infrastructure	Kokrajhar	Assam	9.74	0.00	0.00	Civil contracting agency
70	Providing Water Supply In School Complex of Halam Basti Sr.Basic School,Unakoti,Kmght,Tripura	Building Educational Infrastructure	Unakoti	Tripura	10.50	0.00	0.00	Civil contracting agency
71	Construction of Open Stage at Borajuly,Sonitpur	Building Community Infrastructure	Sonitpur	Assam	7.78	0.00	0.00	Civil contracting agency
72	Construction of market shed at Patsoi Uningkhong	Infrastructure (Rural Development)	SENAPATI	IMPHAL	7.68	0.00	0.00	Civil contracting agency

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73	Developmental works in Murabari Lower Primary School in Murabari, Salakati	Education	Salakati	Assam	9.95	0.00	0.00	Civil contracting agency
74	Construction of Children Park at Khupi-Kimi village, District West Kameng (Arunachal Pradesh)	Building Community Infrastructure	Khupi-Kimi	Arunachal Pradesh	17.94	0.00	0.00	Civil contracting agency
75	Construction of 01 no. Library cum class room and 02 nos. of classrooms at Lt.Gaya Prasad Gaur Memorial M.E.School, Sarapathar	Education - Infrastructure	Misa	Assam	20.40	0.00	0.00	Civil contracting agency
76	Construction of 4 nos of bus passenger waiting sheds at villages of Khongmel, Kabinam, Puni Pfosemei at Senapati District and Longmai village of Tamenglong District of Manipur State	Building Community Infrastructure	Senapati and Tamenglong Dist	Manipur	6.64	0.00	0.00	Civil contracting agency
77	Plantation of 50,000 saplings at Kokrajhar	Environment	Kokrajhar	Assam	38.87	11.36	32.23	In association with Eco Task Force Bn, (Territorial Army) & Department of Forest, Bodoland Territorial Council, Kokrajhar
78	Construction of Compound Wall Fencing at Kasturba High School, Jiribam	Building Educational Infrastructure	Imphal East	Manipur	10.35	8.80	8.80	Civil contracting agency
79	Promotion of SRI (System of Rice Intensification) in 3 districts of Assam(Kamrup, Nogaon, Udalguri), ₹491700 cost to be incurred in each district	Livelihood	East Khasi hills	Meghalaya	14.70	3.35	14.70	In association with Rastriya Gramin Vikash Nidhi
80	Plantation by Eco Task Force Battalion at Kokrajhar District.	Environment	Kokrajhar	Assam	39.55	5.50	39.55	In association with Eco Task Force Bn, (Territorial Army) & Department of Forest, Bodoland Territorial Council, Kokrajhar
81	Construction of Drain in Phaipizang/ Kuda Village	Community works - Drinking Water	Dimapur	Nagaland	12.00	8.00	12.00	Civil contracting agency
82	Skill Development programme	Livelihood	Various location in NER	Various location in NER	154.67	3.09	152.00	In association with NEITCO
83	Black Topping of Road	Building Community Infrastructure	Aizwal	Mizoram	9.78	9.78	9.78	Civil contracting agency
84	Construction of Hume Pipe Culvert Bridge at Kiyazu Village Dimapur	Building Community Infrastructure	Dimapur	Nagaland	8.36	0.00	0.00	Civil contracting agency

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85	Providing Metro Water Line (Municipal Treated drinking water) to Ghanapur (V) and Lingapuram & Pakirtekya hamlet.	Community works - Drinking Water	Ranga Reddy	A.P	100.00	0.00	65.00	Rural Water Supply & Sanitation Department, Govt of Telangana, Hyderabad.
86	Internal Drainage system in Bhairavunipadu (village), Macharla mandal	Community works - Sanitation facilities	Guntur	A.P	14.95	0.00	14.95	R W S & Sanitation Dept., Macherla, Guntur dist.A.P
87	Construction of Public Toilets at Askihal (V), Raichur Dist.	Community works - Sanitation facilities	Raichur	Karnataka	20.33	12.18	12.18	M/s KRID Ltd., Raichur(A Govt. of Karnataka undertaking)
88	Health camp	Health - Medical Camps	Nellore	A.P	1.50	1.28	1.28	M/s Narayana Hospitals Ltd.
89	Construction of two blocks of Toilets at Orvakal village along with Two (02) years maintenance of the above two toilet complex.	Community works - Sanitation facilities	Kurnool	Andhra Pradesh	24.80	16.18	38.35	M/s Sulabh International Social Service Organisation, Andhra Pradesh Branch, Hyderabad
90	Providing the Approach road, Street lights, & Construction of Open well and Slab culvert for A P S W Residential School (Girls) at Nandigam (V)	Building Educational Infrastructure	Srikakulam	Andhra Pradesh	27.67	0.00	0.00	Civil contracting agency
91	Integrated Village Development near Kurnool by ICRISAT	Village Development	Kurnool	Andhra Pradesh	901.00	158.40	234.20	ICRISAT, Hyderabad
92	Providing Public Water supply overhead drinking water storage tank at Lakshminarasimhapuram village, Manubolu Mandal, Nellore Dist. AP	Building Community - Drinking water	Nellore	Andhra Pradesh	23.00	5.75	5.75	Govt. of Andhra Pradesh
93	Providing Public Water supply overhead drinking water storage tank of about 40000 ltr. Capacity pipe line borewell for Bandepalli village, Nellore	Building Community - Drinking water	Nellore	Andhra Pradesh	23.00	5.75	0.00	Govt. of Andhra Pradesh
94	Providing of dual desk benches : 1000 nos. for Greater Vishakapatnam Municipal Corporation (GVMC) - Didyaa Shree and Sweekaram and 500 nos. to Zilla Parishal high School, K. Venkatapuram, Vishakapatnam	Education -infrastructure	Vishakapatnam	Andhra Pradesh	61.36	14.76	0.00	Govt.ITII, Vishakhapatnam, Govt. of Andhra Pradesh
95	Construction of boundary wall for MPP SC school at Tallapalli village, Macherla Mandal, Guntur District	Education -infrastructure	Guntur	Andhra Pradesh	12.84	12.84	0.00	Govt. of Andhra Pradesh
96	Supply of 80 nos. study desks, 10 nos. tables and chairs for ZP high School at Tallapalli village, Macherla Mandal, Guntur district	Education -infrastructure	Guntur	Andhra Pradesh	3.97	3.56	0.00	District Admn, Govt. of Andhra Pradesh

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97	Providing Braille Type writers, Index basic D-printer, computer furniture etc. for Govt. residential school for visually challenged girls, Vishakapatnam.	Education -Infrastructure	Vishakapatnam	Andhra Pradesh	9.86	1.72	0.00	Govt. of Andhra Pradesh
98	Construction of CC road with side drain in Harizanwada, Manubolu Gram Panchayat, Nellore district	Building Educational Infrastructure	Nellore	Andhra Pradesh	10.00	10.00	0.00	Panchayat Raj Institution
99	Construction of CC road with side drain in Arundhati, Wada, Manubolu Gram Panchayat, Nellore district	Building Educational Infrastructure	Arundhati wada, Manubolu Gram panchayat	Nellore	6.00	0.60	0.00	Panchayat Raj Institution
100	Conducting skill development initiatives in Andhra Pradesh	Livelihood	Kadapa	Andhra Pradesh	18.65	2.31	0.00	Krishi Vigyan Kendra, Kadapa
101	Providing portable water of 20 liters in a can for ₹2.00 each household (by installing 1000 LPH capacity R.O Units) in Rural areas under the banner of "NTR Sujala Pathakam"	Building Educational Infrastructure	Kadapa	Andhra Pradesh	50.00	25.00	25.00	District Collector, YSR/Kadapa district
102	Construction of community hall at Mamillapalli (village), Santhamaguluru mandal, Prakasan District, Andhra Pradesh	Infrastructure (Rural Development)	Santhamaguluru Mandal, Prakasan	Andhra Pradesh	36.55	0.00	0.00	Under Tendering Stage
103	Construction of Football stadium in Area code Panchayat, Kozhikode	Building Community Infrastructure	Kozhikode	Kerala	50.00	25.00	25.00	MoU with Director Sports and Youth Affairs, Trivandrum and National Games Secretariat, Trivandrum
104	Providing of 200 KVA Generator for Govt. Hospital, Haripad, Alappuzha District, Kerala	Building Community Infrastructure	Alappuzha	Kerala	13.95	11.78	11.78	POWERGRID
105	Tree Plantation (5000 Nos.)	Environment	Kozhikode, Trivandrum, Kochi, Thrissur, Pondicherry, Madurai, Udumalpet, Karur, Kolar, Hassan	Karnataka, Kerala & Tamil Nadu	5.00	0.75	4.85	MOU with NUALS
106	Installation of Highmast light at Vattapalli Junction, Alappuzha Town, Kerala	Environment	Alappuzha	Kerala	6.27	0.00	0.00	POWERGRID
107	Construction of community hall at Attikattanur Village of Salem	Building Community Infrastructure	Salem	Tamil Nadu	30.00	21.00	21.00	Govt. of Tamil Nadu

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108	(i) Constn of School building with Toilet complex along with compound wall in Govt. High School, Somanahalli, Dharmapuri, TN (ii) Construction of compound wall for panchayat union middle school Mallapuram and Panchayat union middle school Somanahalli, Dharmapuri Dist, TN (iii) Renovation works at freedom Fighter Subramaniya Siva Govt. Boys Hr:Sec.School at Papparapatti, Dharmapuri Dist. TN	Building Educational Infrastructure	Dharmapuri	Tamil Nadu	7.90	7.90	7.90	Govt. of Tamil Nadu
109	Providing basic facilities to 6 Govt. schools in Narenda Village and 1 Govt. School in Chickamalligewada Village in Karnataka near Narenda	Building Educational Infrastructure	Dharwad	Karnataka	21.76	19.20	19.20	POWERGRID
110	Construction of community hall at Yelahanka	Building Community Infrastructure	Bangalore urban	Karnataka	75.00	15.00	15.00	Bangalore Nirmithi Kendra, Bangalore Urban
111	Integrated Village Development near Kudgi by ICRISAT	Village Development	Bijapur	Karnataka	901.00	157.71	233.51	Through ICRISAT, Kudgi
112	Supply of Furnitures viz. Bench & Desks to Govt. High School, Serkadu, Vellore.	Building Educational Infrastructure	Vellore	Tamil Nadu	3.25	3.25	3.25	POWERGRID
113	Construction of compound wall at Govt. elementary school & electrification of building, Pennalur	Building Educational Infrastructure	Kanchipuram	Tamil Nadu	13.20	0.32	0.32	Govt. of Tamil Nadu
114	Restoration and development of Madikeri fort & museum in the fort	Protection of National Heritage	Madikeri	Karnataka	150.00	0.00	0.00	ASI, Madikeri
115	Construction of Community Centre at K.Nidugane village in Madikeri, Karnataka	Infrastructure (Rural Development)	Madikeri	Karnataka	50.00	0.00	0.00	SP, Madikeri
116	Hutatma Smriti Mandir - Auditorium, Solapur	Building Community Infrastructure	Solapur	Maharashtra	207.01	75.45	164.45	Govt. of Maharashtra
117	Construction of Roads & Digging of Borewell, Gondia	Building Community Infrastructure	Gondia	Maharashtra	60.00	15.08	41.78	Govt. of Maharashtra
118	Construction of Children Park & Development Works, Mapusa	Building Community Infrastructure	Mapusa	Goa	107.63	17.65	104.65	Govt. of Maharashtra
119	Construction of Classrooms at Seoni	Building Educational Infrastructure	Seoni	Madhya Pradesh	18.48	7.33	28.63	Govt. of Madhya Pradesh
120	Construction of Labour Room at Community Health Centre at Bhatapara	Building Community Infrastructure	Bhatapara	Chhattisgarh	7.72	1.99	3.39	Govt. of Chhattisgarh
121	Construction of Public Toilets at Salsur, Wardha	Community works - Sanitation facilities	Wardha	Maharashtra	7.59	2.44	2.44	Govt. of Maharashtra

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122	Road Work at Different Locations, Welcome Gate & Samshan Ghat at Sangli & Pune	Building Community Infrastructure	Sangli & Pune	Maharashtra	180.00	65.87	65.87	Govt. of Maharashtra
123	Construction of 2.85 km. Bitumen top road at Burujewadi / Shikrapur village around line corridor near 765/400 kV GIS Pune	Building Community Infrastructure	Pune	Maharashtra	92.80	14.33	0.00	Govt. of Maharashtra
124	(i) Construction of Bituminous Road in Hivare village and (ii) Construction of additional class rooms in the Zilla Parishad High School in Hovare-Pimpale Khalsa village, Pune, Maharashtra	Education & Rural Development	Pune	Maharashtra	130.00	0.00	0.00	Govt. of Maharashtra
125	Development of 1400 m internal drain road of 3m width with paver blocks	Infrastructure	Padghe, Thane	Maharashtra	54.50	0.00	0.00	Under Tendering Stage
126	Construction of common toilets	Sanitation			36.43	0.00	0.00	Under Tendering Stage
127	Construction and renovation of existing cremation sites in the District of Guna, Madhya Pradesh	Building Community Infrastructure	Guna & Shivpuri Districts	Madhya Pradesh	349.42	46.37	303.37	POWERGRID
128	Multipurpose Community Building at Village - Karapgaon, Distt. Narsinghpur, Madhya Pradesh	Building Community Infrastructure	Narsinghpur	Madhya Pradesh	23.49	0.00	0.00	Ankit Construction Ltd
129	Construction of 700 mtrs (appx.) long PCC Road at Village Hirapur-Bandha, near 765/400 kV Pooing Station Jabalpur	Building Community Infrastructure	Jabalpur	Madhya Pradesh	23.00	17.91	0.00	Tiara Infrastructure Ltd Indore
130	Construction and renovation of (Six additional) existing cremation sites in the District of Guna, Madhya Pradesh	Building Community Infrastructure	Guna & Shivpuri Districts	Madhya Pradesh	98.95	73.64	73.64	Civil contracting agency
131	Construction of Boundary wall of the Primary School building situated at Kunarpur, Khejra, Damoh	Building Educational Infrastructure	Damoh	Madhya Pradesh	13.45	10.03	10.03	Civil contracting agency
132	Community Hall at Different Villages in Boisar	Building Community Infrastructure	Boisar	Maharashtra	150.00	0.00	45.00	Zilla Parishad, Palghar
133	Providing 40 study desks to Primary School of Village Nahalda, Khandwa	Building Educational Infrastructure	Village Nahalda, Khandwa	Madhya Pradesh	3.20	3.20	3.20	POWERGRID
134	Project Sanjeevani - Medical Treatment of 250 mal nourished children of nearby villages of POWERGRID Bina S/s for a period of Six months	Health - Medical Camps	BINA	Madhya Pradesh	8.40	4.20	4.20	Local Administration under the supervision of DM Sagar / SDM Bina
135	Construction of Mid Day Building for School in village Rabari Ni Muwadi, Dehgam	Building Community Infrastructure	Gandhinagar	Gujarat	8.55	0.00	0.00	Civil contracting agency

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136	Construction of parking platform and boundary wall for panchayat bhavan at Dastan village	Building Community Infrastructure	Surat	Gujarat	16.78	0.00	0.00	Under Tendering Stage
137	Construction of two nos. 40,000 litre RCC overhead water tanks at Bhimsar	Building Community Infrastructure	Anjar, Kutch	Gujarat	22.33	0.00	0.00	Civil contracting agency
138	Construction of RCC Road for approach from Village Laxmipura to main road	Building Community Infrastructure	Gandhinagar	Gujarat	51.28	0.00	0.00	Civil contracting agency
139	Providing of 10 wheel mounted tractor pull-able 4KL capacity water tankers to 10 villages nearby 400 KV POWERGRID Khandwa S/stn	Building Community Infrastructure	Khandwa	Madhya Pradesh	14.74	0.00	0.00	POWERGRID
140	Providing 200 nos. of Dustbin to "The Maharaja Sayajirao University of Baroda", a state University	Building Community Infrastructure	Vadodara	Gujarat	3.39	3.39	0.00	Civil contracting agency
141	WBM of approach Road at village Athal-DNH	Building Community Infrastructure	Silvassa & Valsad	Dadar Nagar Haveli & Gujarat	16.49	16.49	16.49	Civil contracting agency
142	Construction of crematorium at village Ankaldas - Dt. Valsad	Rural Development	Valsad	Gujarat	4.53	0.00	0.00	Civil contracting agency
143	Community Development work of Khanivali village, Vashin-Ambadi road, Bhiwandi Taluka, Thane district (MS) near 765/400 KV GIS Padge S/stn	Building Community Infrastructure	Thane	Maharashtra	90.94	0.00	0.00	Govt. of Maharashtra
144	Deepening Paterpali Pond-Kotra	Community works - Drinking Water	Raigarh	Chhattisgarh	20.03	10.05	10.05	POWERGRID
145	Restoration of three (03) Ponds-Kotra Village	Community works - Drinking Water	Raigarh	Chhattisgarh	28.00	0.00	0.00	Civil contracting agency
146	Foot Over Bridge on NH-6,Rajnandgaon	Building Community Infrastructure	Rajnandgaon	Chhattisgarh	115.39	58.00	93.00	Govt. of Chhattisgarh
147	Development of Bal Udyan Van, Mudipar, Rajnandgaon	Building Community Infrastructure	Rajnandgaon	Chhattisgarh	10.00	0.00	10.00	DFO-Rajnandgaon
148	Community Centre-Urla Village	Building Community Infrastructure	Durg	Chhattisgarh	30.00	0.00	0.00	Govt. of Chhattisgarh
149	Tree Plantation-Naya Raipur	Environment	Raipur	Chhattisgarh	14.00	0.00	14.00	DFO-Raipur
150	Renovation of Bhairon Baba Talab-Ratanpur Bilaspur	Building Community Infrastructure	Bilaspur	Chhattisgarh	26.84	10.60	21.63	Govt. of Chhattisgarh
151	Renovation of room for Video Conferencing Facility for villagers at Korba (Chhattisgarh)	Building Community Infrastructure	Korba	Chhattisgarh	10.00	0.00	10.00	PWD, Govt. of Chhattisgarh
152	Construction of a Boys Hostel for Pt.Ravishankar Shukla University, Raipur, Chhattisgarh	Education - Infrastructure	Raipur	Chhattisgarh	400.00	0.00	0.00	Civil Contracting agency

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153	Ambulance-for Region(Govt.Hospitals/ Institutes- 1no.Raipur,2 nos. Raigarh	Health	Raipur	Chhattisgarh	24.00	21.82	0.00	POWERGRID
154	Installation of 14 solar hand pumps for providing drinking water facility to far off hostels/ashrams in district Jashpur, Chattisgarh	Environment	Jashpur	Chhattisgarh	74.90	74.90	74.90	Collector-Jashpur (CREDA-Chhattisgarh)
155	Proposal for conducting "Ringi Chingi Summer Camp" at Kushabhau Thakre Patrakarita Avam Jansanchar University in Kathadli, Raipur, Chattisgarh	Art & Culture	Raipur	Chhattisgarh	2.00	0.00	0.00	Govt. of Chattisgarh
156	Providing 2 Computer sets each with Table & Chair to UP School Dhauradha and Panchayat High School Bhasma, Sundergrah Distt.	Education - computer skills	Sundergarh	Odisha	2.10	1.99	1.99	POWERGRID
157	Construction of Boundary Wall for Pandermal Nodal UP School, Sundergarh Distt	Building Community Infrastructure	Sundergarh	Odisha	3.00	2.47	2.47	Govt. of Odisha
158	Construction of 200m length & 1.5m height Boundary Wall around Panchayat Primary School, Patakhaman Village, Block – Kaniha, Dist. – Angul, Odisha	Building Educational Infrastructure	Angul	Odisha	4.19	4.06	4.06	Govt. of Odisha
159	Operationalizing the presently non-functional 01 no. deep tube well or a handpump installed in village Tangiaghassa near Angul Construction Office	Community works - Drinking Water	Angul	Odisha	0.55	0.00	0.00	Govt. of Odisha
160	Construction of Boundary Wall of playground of Sudam Charan Degree College, Bolangir, Odisha	Infrastructure	Bolangir	Odisha	8.80	0.00	0.00	Govt. of Odisha
161	Skill Development & Capacity Building Programmes	Livelihood	Angul, Mayurbhanj, Sundergarh, Koraput & Kalahandi	Odisha	12.75	5.24	11.63	POWERGRID
162	Renovation of pond at Benagadia in Fulpada Village with wide embankment for plantation around the pond & two nos. bathing ghat	Community works - Drinking Water	Angul	Odisha	14.89	14.89	14.89	DRDA, Angul
163	Construction of Culvert, Widening of Road & Construction of Drain from NTPC Shaktidwar to Tolokbeda Village	Building Community Infrastructure	Angul	Odisha	16.01	0.00	0.00	Govt. of Odisha

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164	Providing furniture items & water filters to Asha Aswasana School & Maa Bindya Basini Anath Sikhyashram, Cuttack	Building Educational Infrastructure	Cuttack	Odisha	3.92	3.92	3.92	Govt. of Odisha
165	Providing Medical Equipments to Sub-Divisional Hospital, Jeypore	Health	Jeypore	Odisha	12.65	0.00	0.00	Govt. of Odisha
166	Community development works in villages of Bonarpal Block and Angul Block along the 765kV Angul-Jharsuguda Tr. line	Building Community Infrastructure	Angul	Odisha	74.26	69.48	69.48	Govt. of Odisha
167	Providing one no. CNC Lathe Machine (Production type, Chuck size 165 mm) to ITI, Talcher	Building Community Infrastructure	Angul	Odisha	21.51	0.00	0.00	Govt. of Odisha
168	Providing DG Set to Community Health Centre, Kaniha	Health	Angul	Odisha	7.80	0.00	0.00	Govt. of Odisha
169	Post facto approval of CSR works for restoration of Trans. & Distribution network including distribution of relief materials in Ganjam & Navagarh district. Odisha after Philine cyclone disaster on 12.10.2013.	Disaster relief	Navagarh	Odisha	72.36	72.36	72.36	Govt. of Odisha
170	Procurement of 10,000 Nos. Tarpaulin sheet & 1000 sets of clothing items sets to victims of Flood in the state of Odisha	Disaster relief	Jajpur	Odisha	63.60	52.29	52.29	Govt. of Odisha
171	Community Development works in Angul, Banharpal & Chhendipada Blocks.	Rural Development	Angul	Odisha	73.45	73.45	73.45	Govt. of Odisha
172	(1) Community Centre. at Fulpada - (2) Comm. Cen. at Tapdhol- (3) Digging of pond at Tapdhol - (4) Rahashbadi at Badadhipa	Rural Development	Angul	Odisha	49.00	49.00	49.00	Govt. of Odisha
173	Community Cent,Digging of Pond & Const. Of approach Road at Tangiaghassa, Dhenkanal Dist.	Rural Development	Dhenkanal	Odisha	28.96	28.96	28.96	Govt. of Odisha

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
174	Rural Development projects [(1) Construction of 2 nos. community centre (2) Construction of 01 no. Rahashbade (open shed) (3) Digging / Renovation of Ponds of 04 nos. (4) Drinking Water System (5) Construction of 01 no. drain (6) Construction of School Class Room in village in Banharpal Block, Angul Block & Chhendipada Block along the 765 kV S/C Angul Jharsuguda Transmission line & nearby substation	Rural Development	Angul	Odisha	98.94	98.94	98.94	Govt. of Odisha
175	"Grazing Ground - Chotopam"	Building Community Infrastructure	B.Chariali	Assam	6.00	0.29	5.86	Govt. of Assam
176	Improvement of Internal link roads and gates	Building Community Infrastructure	B.Chariali	Assam	9.73	12.07	12.07	Govt. of Assam
177	Construction low cost Sanitary latrines	Community works - Sanitation facilities	B.Chariali	Assam	45.26	17.70	46.46	Govt. of Assam
178	Livelihood Generation Programme (Dairy Farm, Handloom, Poultry Farm, Duckery, Fishery, Piggery & Cultivation)	Livelihood	B.Chariali	Assam	65.00	13.37	13.37	POWERGRID
179	Construction of Community Hall & Library	Building Community Infrastructure	B.Chariali	Assam	15.00	9.00	13.50	Govt. of Assam
180	Construction of Culverts	Building Community Infrastructure	B.Chariali	Assam	6.44	4.49	6.44	Govt. of Assam
181	Construction of Bridges over river Burigong	Building Community Infrastructure	B.Chariali	Assam	40.00	22.14	22.14	Through NEITCO
182	Construction of Village Haat	Village Development	B.Chariali	Assam	10.04	6.03	9.04	Through NEITCO
183	Const. of 03 Resting shed	Building Community Infrastructure	B.Chariali	Assam	5.98	5.98	5.98	POWERGRID
184	Const. of 02 Multi-purpose room	Building Community Infrastructure	B.Chariali	Assam	13.45	12.10	12.77	POWERGRID
185	02 Nos Class Room each in 04 Schools	Assisting in Primary Education	B.Chariali	Assam	28.40	7.10	9.23	POWERGRID
186	B'wall & Room in Graveyard	Building Community Infrastructure	B.Chariali	Assam	7.54	0.38	0.38	POWERGRID
187	B'wall & Room in Crematorium	Assisting in Primary Education	B.Chariali	Assam	10.00	2.50	2.50	POWERGRID
188	Providing some Hospital equipment at Alipurduar Govt. Hospital (West Bengal).	Health	Alipurduar	West Bengal	29.50	12.50	0.00	POWERGRID
189	Providing 6 Nos. Table Tennis Table sets to Indoor stadium, Alipurduar	Building Community Infrastructure	Alipurduar	West Bengal	1.68	1.68	1.68	POWERGRID

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
190	(i) Constructin of 02 nos. of Paying Cabins at Civil Hospital, Biswanath Chariali (ii) Both side widening of the Chariali to Biswanath Ghat Link Road, in Sonitpur district under CSR in NEA	Health	Sonitpur	B. Chariali	51.10	0.00	0.00	POWERGRID
191	Membership of Power Sector Skill Council (PSSC)	Livelihood	Delhi	Delhi	5.00	5.00	5.00	Power Sector Skill Council
192	M/s National Handicapped Finance and Development Corporation (NHFDC)	Livelihood	Gurgaon	Haryana	11.83	5.98	5.98	NHFDC
193	Distribution of aids and appliances to Persons with Disabilities through M/S ALIMCO	Building Community Infrastructure	Various parts of country		198.00	19.80	19.80	M/s ALIMCO
194	Funding operations of 07 nos. of "Samarth Centres"	Livelihood	Various parts of country		128.16	0.00	0.00	M/s National Trust
195	Plantation of 1000 trees at Gurgaon on the eve of Silver Jubilee Year celebration.	Environment	Gurgaon	Haryana	6.26	3.99	3.99	Horticulture Department, Gurgaon, Govt. of Haryana.
196	Proposals for extending clean lighting solution to 10,000 school children in Bihar, Jharkhand and Odisha : Through TERI	Education - Infrastructure	Bihar, Jharkhand & Odisha	Bihar, Jharkhand & Odisha	195.80	19.58	19.58	M/s TERI
197	Samarpan Trust	Health	Lucknow	Lucknow	3.90	1.30	3.90	M/s Samarpan Trust
198	Conducting punctured insulator Detection (PID) training for Fitters, note of OS Department. And Additional cost towards (i) insurance & (ii) Journey Fare: Conducting punctured insulator Detection (PID) training for Fitters for ₹1.51 lakhs	Livelihood	Hyderabad	Andhra Pradesh	25.29	0.00	1.05	EDC, Hyderabad (POWERGRID)
199	Construction of Dharamshala at Jai Prakash Narayan Apex Trauma Centre, AIIMS under CSR	Building Health Infrastructure	Delhi	Delhi	2900.00	500.00	790.00	M/s HSCC awarded by AIIMS
200	Extension of period of extension of Internet Connectivity to 4 Gram Panchayats for a period of 2 years	Rural Development	Pune	Maharashtra	14.60	7.30	7.30	Through POWERGRID, Pune
201	Training programme on High Impact CSR - Need Identification to Impact Assessment at ASCI, Hyderabad 7-11 July, 2014.	Livelihood	Hyderabad	A.P	2.43	2.43	2.43	M/s ASCI
202	Imparting skill Development to 1500 Persons with Disabilities (PwD) through National Handicapped Finance and Development Corporation (NHFDC)	Livelihood	At 50 locations	Across the country	180.00	0.00	0.00	M/s National Handicapped Finance and Development Corporation (NHFDC)

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Local Area or other	Specify State and district	Amount outlay (₹/ lakhs)	Amount spent on the project or programme during 2014-15	Cummulative expenditure upto the reporting period	Amount spent: Direct or through implementing Agency
203	Financial Assistance for Education of 850 children of Assam & Manipur through National Foundation for Communal Harmony.	Livelihood		Assam & Manipur	102.00	101.52	101.52	M/s National Foundation for Communal Harmony (NFCH)
204	Imparting Skill Development training to 5000 youths in 33 locations across India through NSDC	Livelihood	At 33 locations	Across the country	653.00	131.00	131.00	M/s NSDC
205	CSR proposal for organizing painting Competition of Bureau of Energy Efficiency (BEE) for promoting Energy Conservation.(Andaman & Nicobar, Assam, Chattisgarh, Dadra & Nagar Haveli, Daman & Diu, Gujarat, Goa, Rajasthan, Tamil Nadu)	Environment	Various parts of country	Various parts of country	120.66	97.94	97.94	POWERGRID
206	Spreading anti-corruption awareness amongst youth on the week long event on the occasion of UN's "International Anti-Corruption Day": Through Transparency International India	Promoting Education	Delhi	Delhi	1.00	1.00	1.00	M/s Transparency International India
207	Overhead (Salary to CSR group employees & other expenses etc.)	Overhead				110.74	110.74	Overhead
208	Capacity Building programme on Transmission Line Tower Erection & Stringing in 5 centres in NER & ER	Skill Development		Assam & West Bengal	761	108.68	108.68	EDC, Hyderabad (POWERGRID)
209	Construction of Toilet under Swachh Vidhyalaya Abhiyan	Education	In selected Districts of Bihar, Assam, Odisha, UP, AP, Chattisgarh, MP	Bihar, Assam, Odisha, UP, AP, Chattisgarh, MP	10800	923.27	923.27	M/s Itron ISL, HPL & GVT
210	Preventive Health Care camp	Health	In 33 locations around POWERGRID S/stn. in the States of UP, Haryana, Uttarakhand, Chattisgarh, Maharashtra	UP, Haryana, Uttarakhand, Chattisgarh, Maharashtra	82.2	29	29	M/s HLL Lifecare Ltd. (A Govt. of India Enterprises)
211	Infrastructure Development in Roing ME School	Education	Roing	Arunachal Pradesh	12	4.99	4.99	POWERGRID



पावरग्रिड

Balance Sheet as at 31st March, 2015

			(₹ in Crore)	
Particulars	Note No.		As at 31 st March,2015	As at 31 st March,2014
I.EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	2.1	5231.59		5231.59
(b) Reserves and surplus	2.2	32935.00		29228.04
			38166.59	34459.63
Deferred revenue	2.3		4762.91	4517.46
Non-current liabilities				
(a) Long-term borrowings	2.4	89375.84		76790.22
(b) Deferred tax liabilities (Net)	2.5	2472.15		2442.96
(c) Other long term liabilities	2.6	1097.88		1337.30
(d) Long-term provisions	2.7	580.23		524.37
			93526.10	81094.85
Current liabilities				
(a) Short-term borrowings	2.8	1200.00		2700.00
(b) Trade payables	2.9	392.97		329.07
(c) Other current liabilities	2.10	19040.36		15520.04
(d) Short-term provisions	2.11	1211.95		968.02
			21845.28	19517.13
Total			158300.88	139589.07
II.ASSETS				
Non-current assets				
(a) Fixed assets				
(i) Tangible assets	2.12	88902.51		72501.95
(ii) Intangible assets	2.13	783.70		652.12
(iii) Capital work in progress	2.14	39670.90		31502.41
(iv) Intangible assets under development	2.15	211.29		349.00
			129568.40	105005.48
(b) Construction stores	2.16		13041.96	17625.30
(c) Non-current investments	2.17	740.99		814.33
(d) Deferred foreign currency fluctuation asset		2841.54		2490.57
(e) Long-term loans and advances	2.18	4177.89		4584.39
			7760.42	7889.29
Current assets				
(a) Current investments	2.19	185.43		184.35
(b) Inventories	2.20	717.75		712.40
(c) Trade receivables	2.21	2118.65		1578.46
(d) Cash and Bank balances	2.22	2062.98		4417.52
(e) Short-term loans and advances	2.23	566.42		440.64
(f) Other current assets	2.24	2278.87		1735.63
			7930.10	9069.00
Total			158300.88	139589.07
Accounting Policies	1			
Notes on Accounts	2			
Notes referred above are integral part of the Balance Sheet				

(Divya Tandon)
Company secretary

For and on behalf of the Board of Directors
(R.T. Agarwal)
Director (Finance)
(R. N. Nayak)
Chairman & Managing Director

For S.K. Mehta & Co.
Chartered Accountants
Firm Regn No. 000478 N

As per our report of even date
For Chatterjee & Co.
Chartered Accountants
Firm Regn No. 302114 E

For Sagar & Associates
Chartered Accountants
Firm Regn No. 003510 S

(CA Puneet Harjai)
Partner
Membership No. 095715

(CA S.K.Chatterjee)
Partner
Membership No. 003124

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi
Date: 30th May, 2015

Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Crore)

Particulars	Note No.	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
I. Revenue from operations	2.25	17177.23	15230.28
II. Other income	2.26	602.81	491.13
III. Total Revenue (I + II)		17780.04	15721.41
IV. Expenses:			
Purchases of stock-in-trade		-	219.40
Employee benefits expense	2.27	1023.65	941.68
Finance costs	2.28	3979.32	3167.52
Depreciation and amortization expense	2.29	5085.41	3995.68
Transmission, administration and other Expenses	2.30	1355.16	1112.86
Prior period items (net)	2.31	47.12	20.52
Total expenses		11490.66	9457.66
V. Profit before tax (III-IV)		6289.38	6263.75
VI. Tax expense:			
(1) Current tax - Current Year	1281.25		1274.30
- Earlier years	(0.26)		(0.17)
	1280.99		1274.13
(2) Deferred tax-	824.25		492.20
Less: Deferred Asset for deferred tax liability	2.5 795.03		-
	29.22		492.20
		1310.21	1766.33
VII. Profit for the year (V-VI)		4979.17	4497.42
VIII. Earnings per equity share (Par value ₹ 10/- each):	2.46		
Basic & Diluted (₹)		9.52	9.36
Accounting Policies	1		
Notes on Accounts	2		
Notes referred above are integral part of the Statement of Profit and Loss			

For and on behalf of the Board of Directors

(Divya Tandon)
Company secretary

(R.T. Agarwal)
Director (Finance)

(R. N. Nayak)
Chairman & Managing Director

As per our report of even date

For S.K. Mehta & Co.
Chartered Accountants
Firm Regn No. 000478 N

For Chatterjee & Co.
Chartered Accountants
Firm Regn No. 302114 E

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Membership No. 003124

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi
Date: 30th May, 2015



पावरग्रिड

Cash Flow Statement for the Year ended 31st March, 2015

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	6289.38	6263.75
Adjustment for :		
Depreciation (including prior period)	5085.41	4010.53
Transfer from Grants in Aid	(21.95)	(21.96)
Deferred revenue - Advance against Depreciation	(79.50)	(76.89)
Provisions	43.95	22.35
Transfer from Self Insurance Reserve	(20.21)	(5.83)
Net Loss/(Profit) on Disposal / Write off of Fixed Assets	(1.64)	4.63
Interest and Finance Charges	3979.32	3167.52
Provisions Written Back	(5.50)	(5.25)
Interest earned on Deposits, Bonds and loans to State Govts.	(260.28)	(186.62)
Dividend received	(97.77)	(89.01)
	8621.83	6819.47
Operating profit before Working Capital Changes	14911.21	13083.22
Adjustment for :		
(Increase)/Decrease in Inventories	(25.24)	(160.89)
(Increase)/Decrease in Trade Receivables	(560.27)	(144.99)
(Increase)/Decrease in Loans and Advances	(84.50)	(17.23)
(Increase)/Decrease in Other current assets	(619.50)	161.42
Increase/(Decrease) in Liabilities & Provisions	2392.87	3370.20
(Increase)/Decrease in Deferred Foreign Currency Fluctuation Asset/ Liability(Net)	153.68	264.54
	1257.04	3473.05
Cash generated from operations	16168.25	16556.27
Direct taxes paid (Net of Refunds)	(1126.48)	(1156.83)
Net Cash from operating activities	15041.77	15399.44
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets (including incidental expenditure during construction)	(1153.45)	(1013.87)
Capital work in progress	(28156.76)	(25419.96)
Construction Stores & Advances for Capital Expenditure	5067.73	(441.40)
(Increase)/Decrease in Investments	72.26	148.77
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	23.14	15.42
Loans to Subsidiaries	(229.70)	0.00
Lease receivables	97.93	(24.85)
Interest earned on Deposits, Bonds and loans to State Govts.	337.63	129.14
Dividend received	97.77	89.01
Net cash used in investing activities	(23843.45)	(26517.74)

Cash Flow Statement for the Year ended 31st March, 2015 (contd...)

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	-	601.86
Premium on issue of shares (net of share issue expenses)	-	4694.74
Loans raised during the year	17756.54	17943.01
Loans repaid during the year	(6398.68)	(5222.85)
Interest and Finance Charges Paid	(3678.70)	(2751.84)
Dividend paid	(1046.32)	(1192.21)
Dividend Tax paid	(185.70)	(198.86)
Net Cash from Financing Activities	6447.14	13873.85
D. Net change in Cash and Cash equivalents(A+B+C)	(2354.54)	2755.55
E. Cash and Cash equivalents(Opening balance)	4417.52	1661.97
F. Cash and Cash equivalents(Closing balance)	2062.98	4417.52

Notes:

Cash and cash equivalents consists of Cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 2.22.

Cash and cash equivalents	2,052.59	1,431.29
Other Bank balances (*)	10.39	2,986.23
	2,062.98	4,417.52

(*) Break up of Other Bank balances

1. Balance in current accounts (unclaimed dividend)	10.39	11.23
2. In term deposits (FPO proceeds for utilisation for identified projects)	-	2,975.00
	10.39	2,986.23

Previous year figures have been re-grouped / re-arranged wherever necessary.

For and on behalf of the Board of Directors

(Divya Tandon)
Company secretary

(R.T. Agarwal)
Director (Finance)

(R. N. Nayak)
Chairman & Managing Director

As per our report of even date

For S.K. Mehta & Co.
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Membership No. 003124

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi

Date: 30th May, 2015



Note 1 - ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2014-15

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting under the historical cost convention, in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

1.2 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

1.3 RESERVES AND SURPLUS

Self insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self insurance reserve" under 'Reserves & Surplus'.

1.4 GRANTS-IN-AID

- 1.4.1 Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are shown as "grants-in-aid" till the utilization of grant.
- 1.4.2 On capitalization of related assets, grants received for specific depreciable assets are treated as deferred income and recognized in the Statement of Profit and Loss over the useful life of related asset and in proportion to which depreciation on these assets is provided.

1.5 FIXED ASSETS

- 1.5.1 Fixed assets are shown at historical cost comprising of purchase price and any attributable cost of bringing the assets to its working condition for its intended use less accumulated depreciation/amortization.
- 1.5.2 In the case of commissioned assets, deposit works/cost-plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 1.5.3 Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments
- 1.5.4 Transmission system assets are considered when they are 'Ready for intended use', for the purpose of capitalization, after test charging/successful commissioning of the systems/assets and on completion of stabilization period wherever technically required.
- 1.5.5 The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.
- 1.5.6 Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.
- 1.5.7 Insurance spares, which can be used only in connection with an item of fixed asset and whose use is expected to be at irregular intervals and Mandatory spares in the nature of sub-station equipments / capital spares i.e. stand-by/service/rotational equipment and unit assemblies, are capitalized and depreciated over the residual useful life of the related plant & machinery. In case the year of purchase and consumption is same, amount of such spares are charged to revenue.

1.6 CAPITAL WORK-IN-PROGRESS (CWIP)

- 1.6.1 Cost of material consumed erection charges thereon along with other related expenses incurred for the projects are shown as CWIP till the date of capitalization.
- 1.6.2 Cost of material for construction of Substation (including HVDC) is being transferred to Capital Work in Progress during the progress of erection work.
- 1.6.3 Expenditure of Corporate office, Regional Offices and Projects, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.
- 1.6.4 Interest during construction and expenditure (net) allocated to construction as per policy No. 1.6.3 above (allocated to the projects on prorate basis to their capital expenditure), are apportioned to capital work in progress (CWIP) on the closing balance of specific asset or part of asset being capitalized. Balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule.
- 1.6.5 Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.

- 1.6.6 Unsettled liability for price variation/ exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

1.7 INTANGIBLE ASSETS

- 1.7.1 The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognized as an intangible assets in the books of accounts when the same is ready for its use.
- 1.7.2 Afforestation charges paid for acquiring right-of-way for laying transmission lines are accounted for as intangible assets and same are amortized over the period of thirty five years following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulation.
- 1.7.3 Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" where such assets are not yet ready for their intended use.
- 1.7.4 Expenditure incurred on the development of new technology is kept under "Intangible assets under development" till its completion. After satisfactory completion of development stage, the expenditure kept under as "Intangible Assets" to be included in the project cost of new assets.

1.8 CONSTRUCTION STORES

Construction stores are valued at cost.

1.9 BORROWING COST

- 1.9.1 All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.
- 1.9.2 The borrowing costs so allocated are capitalised or charged to revenue, based on whether the project is under construction or in operation.

1.10 TRANSACTION IN FOREIGN CURRENCY

- 1.10.1 Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.
- 1.10.2 Foreign Exchange Rate Variation (FERV) arising on settlement / translation of foreign currency loans relating to fixed assets/ capital work-in-progress are adjusted to the carrying cost of related assets.
- 1.10.3 FERV accounted for as per policy no 1.10.2 is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e.f. 1st April, 2004 or Date of Commercial Operation (DOCO) which ever is later.

The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:

- FERV recoverable/payable adjusted to carrying cost of fixed assets is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'
 - 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
 - The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.
- 1.10.4 FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c' in the following manner:
- Depreciation component of transmission charges (being 90% of such FERV) is adjusted against Deferred foreign currency fluctuation asset/liability a/c in the transmission charges.
 - Balance 10% is adjusted against Deferred foreign currency fluctuation asset/liability a/c in the transmission charges over the tenure of respective loans.
- 1.10.5 FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to fixed assets/ CWIP are adjusted in the carrying cost of related assets.
- 1.10.6 FERV arising during the construction period from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as 'Deferred foreign currency fluctuation asset/liability a/c'. Transmission charges recognised on such amount is adjusted against above account.



1.10.7 Other exchange differences are recognized as income or expenses in the period in which they arise.

1.11 INVESTMENTS

1.11.1 Current investments are valued at lower of cost and fair value determined on an individual investment basis.

1.11.2 Long term investments are carried at cost. Provision is made for diminution other than temporary, in the value of such investments.

1.12 INVENTORIES

1.12.1. Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.

1.12.2 Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

1.12.3 Mandatory spares of consumable nature and transmission line items are treated as inventory after commissioning of the system.

1.12.4 Surplus materials as determined by the management are held for intended use and are included in the inventory.

1.12.5 The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

1.13 REVENUE RECOGNITION

1.13.1 Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff norms and other amendments notified by the CERC in similar cases. Difference, if any, is adjusted based on issuance of final notification of tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per tariff norms of the CERC.

1.13.2 The Transmission system Incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the norms notified / approved by the CERC.

1.13.3.1 Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, is reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years.

1.13.3.2 The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.

1.13.4 Surcharge recoverable from trade receivables and liquidated damages / warranty claims / interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

1.13.5 Income from Telecom Services are accounted for on the basis of terms of agreements / purchase orders from the customers.

1.13.6 Income from sole consultancy contracts are accounted for on technical assessment of progress of services rendered.

1.13.7 In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, income is accounted for (wherever initial advances received) in phased manner as under:

- a) 10% on the issue of Notice Inviting Tender for execution
- b) 5% on the Award of Contracts for execution
- c) Balance 85% on the basis of actual progress of work including supplies

1.13.8 Income from Sale of Goods is recognized on the transfer of significant risks and reward of ownership to the buyer.

1.13.9 Application Fees received on account of Long Term Open Access (LTOA) Charges is accounted for as and when received in accordance with CERC Guidelines.

1.13.10 Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

1.13.11 Dividend income is recognized when right to receive payment is established.

1.14 LEASED ASSETS

1.14.1 State sector unified load dispatch centre (ULDC)/ Fiber Optic Communication Assets (FOC) assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets along with accretion in subsequent years is accounted for as Lease Receivables under Long Term Loans & Advances. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.

1.14.2 Finance income on leased assets are recognised based on a pattern reflecting a constant periodic rate of return on the net investment as per the tariff notified/to be notified by the CERC.

1.14.3 FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

1.15 DEPRECIATION / AMORTIZATION

1.15.1 Depreciation / amortization on the assets related to transmission business and communication system of ULDC commissioned on or after 1st April 2014 are provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.

1.15.2 ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum.

1.15.3 Depreciation on assets of telecom and consultancy business is provided for on straight line method as per useful life specified in Schedule II of the Companies Act, 2013.

1.15.4 Depreciation on following assets is provided based on estimated useful life as evaluated by the management.

a	Computers & Peripherals	3 years
b	Mobile Phones	3 years
c	Software	3 years

Residual value in respect of Computers & Peripherals of Transmission and ULDC Segment is considered as specified in CERC tariff regulation and for other Segments, as specified in Schedule II of the Companies Act, 2013. Residual value in respect of Mobile Phones & Software is considered as "Nil".

1.15.5 Depreciation/ Amortization on additions to/deductions from fixed assets during the year is charged on pro-rata basis.

1.15.6 Where the cost of depreciable fixed asset has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom assets where residual life is determined on the basis of useful life of fixed asset as specified in Schedule II of the Companies Act, 2013.

1.15.7 Plant and machinery, loose tools and items of scientific appliances, included under different heads of fixed assets, costing ₹ 5,000/- or less, or where the written down value is ₹ 5,000/- or less as at the beginning of the year, are charged off to revenue.

1.15.8 Other fixed assets costing upto ₹5,000/- are fully depreciated in the year of acquisition.

1.15.9 Leasehold Land is fully amortized over 25 years or lease period whichever is lower in accordance with the rates and methodology specified in the Central Electricity Regulatory Commission (CERC) Tariff Regulation. Lease hold Land acquired on perpetual lease is not amortised.

1.15.10 In the case of fixed assets of National thermal power corporation limited (NTPC), National hydro-electric power corporation limited (NHPC), North-eastern electric power corporation limited (NEEPCO), Neyveli lignite corporation limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri hydro development corporation limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

1.16 EXPENDITURE

1.16.1 Pre-paid/prior-period expenses/Income of items up to ₹ 100,000/- are charged to natural heads of account.

1.16.2 Expenditure of research and development, other than Capital Expenditure, are charged to revenue in the year of incurrence.

1.16.3 Capital expenditure on assets not owned by the company is charged off to revenue as and when incurred

1.17 IMPAIRMENT OF ASSETS

Cash generating units as defined in Accounting Standard -28 on 'Impairment of Assets' are identified at the balance sheet date with respect to carrying amount vis-à-vis. recoverable amount thereof and impairment loss, if any, is recognised in Statement of profit & loss. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

1.18 EMPLOYEE BENEFITS

1.18.1 Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss. The same is paid to a fund and administered through a separate trusts.



- 1.18.2 The liability for retirement benefits of employees in respect of Gratuity, is ascertained annually on actuarial valuation at the year end, is provided and funded separately.
- 1.18.3 The liabilities for compensated absences, leave encashment, post retirement medical benefits, settlement allowance & long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.
- 1.18.4 Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.
- 1.18.5 Actuarial gains/losses are recognized immediately in the Statement of Profit & Loss.

1.19 PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to its present value. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management / independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

1.20 TAXES ON INCOME

Income Tax comprises of current and deferred tax. Current income taxes are measured at the amount expected to be paid to the provisions of income tax authorities in accordance with Income Tax Act, 1961. Deferred tax resulting from timing difference between accounting and taxable profit is accounted for using the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Note 2.1/Share capital

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Equity Share Capital		
Authorised		
10000000000 (Previous year 10000000000) equity shares of ₹ 10/- each	10000.00	10000.00
Issued, subscribed and paid up		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹ 10/-each fully paid up	5231.59	5231.59
Total	5231.59	5231.59

Further Notes:

- 1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5231.59	4629725353	4629.73
Shares Issued during the year	-	-	601864295	601.86
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5231589648	5231.59	5231589648	5231.59

- 2) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

- 3) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
i) Government of India	3028835198	57.90	3028835198	57.90
ii) Europacific Growth Fund	296023422	5.66	296023422	5.66

Note 2.2/Reserves and surplus

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Securities Premium Reserve		
As per last balance sheet	9578.29	4875.15
Additions during the year	-	4,703.14
Deductions during the year	-	-
Closing Balance	9578.29	9578.29
Bonds Redemption Reserve		
As per last balance sheet	4886.61	4005.29
Additions during the year	1600.44	1365.25
Deductions during the year	616.58	483.93
Closing Balance	5870.47	4886.61
Self Insurance Reserve		
Through appropriation		
As per last balance sheet	268.40	304.22
Additions during the year	79.78	61.40
Deductions during the year	-	97.22
Closing Balance	348.18	268.40



Note 2.2/Reserves and surplus (contd...)

(₹ in Crore)

Particulars	As at 31 st March,2015	As at 31 st March,2014
Through charge to Profit		
As per last balance sheet	59.21	65.04
Additions during the year	-	-
Deductions during the year	20.21	5.83
Closing Balance	39.00	59.21
	387.18	327.61
Corporate Social Responsibility(CSR) Activity Reserve		
As per last balance sheet	46.74	26.06
Additions during the year	82.78	20.68
Deductions/Adjustments during the year	-	-
Closing Balance	129.52	46.74
General Reserve		
As per last balance sheet	14373.17	12315.95
Additions during the year	2400.00	2057.22
Deductions during the year	0.05	-
Closing Balance	16773.12	14373.17
Short Term Open Access(STOA) Reserve		
As per Last Balance Sheet	-	-
Additions during the year	-	134.42
Deductions during the year [being utilisation of STOA income (Net of Taxes) (Note No.2.25) in accordance with the CERC (Open Access inter-state transmission) Regulations, 2008 as amended upto date]	-	134.42
Closing Balance	-	-
	32738.58	29212.42
Surplus(Balance in statement of Profit and Loss)		
As per last balance sheet	15.62	18.03
Add:Additions		
Profit after tax as per Statement of Profit & Loss	4979.17	4497.42
Transfer from Bond Redemption Reserve	616.58	483.93
Transfer from STOA Reserve		134.42
Dividend tax adjusted	1.93	0.04
Less: Appropriations		
STOA Reserve	-	134.42
Bonds Redemption Reserve	1600.44	1365.25
CSR Activities Reserve	82.78	20.68
Self Insurance Reserve	79.78	61.40
General Reserve	2400.00	1960.00
Interim dividend paid	360.98	664.42
Tax on Interim dividend	71.16	110.24
Proposed Dividend	685.34	685.34
Tax on proposed Dividend	136.40	116.47
Closing Balance	196.42	15.62
TOTAL	32935.00	29228.04

Note 2.3/Deferred Revenue

(₹ in Crore)

Particulars	As at 31 st March,2015	As at 31 st March,2014
a) Advance against depreciation	1938.57	2018.07
b) Grants in aid	73.12	95.07
c) Deferred income from foreign currency fluctuation(Net)	2751.22	2404.32
TOTAL	4762.91	4517.46

Note 2.4/Long-term borrowings

		(₹ in Crore)	
Particulars	As at 31 st March, 2015	As at 31 st March, 2014	
A) BONDS			
A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)			
A1.1 i) Bonds of ₹10 Lakh each			
XXXIX Issue- 9.40% redeemable at par on 29.03.2027	1800.00	1800.00	
XXXVIII Issue- 9.25% redeemable at par on 09.03.2027	855.00	855.00	
XLII Issue-8.80% redeemable at par on 13.03.2023	1990.00	1,990.00	
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
ii) Bonds of ₹ 30 Lakh each consisting of 3 STRPPs of ₹ 10 lakh each redeemable at par in 3(Three) equal installments on 09.03.2020, 09.03.2025 and 09.03.2030			
XLIX Issue-8.15% redeemable w.e.f. 09.03.2020 **	1305.00	-	
iii) Bonds of ₹ 40 Lakh each consisting of 4 STRPPs of ₹ 10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030			
XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020	2580.00	-	
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
iv) Bonds of ₹ 30 Lakh each consisting of 3 STRPPs of ₹ 10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019, 04.09.2024 and 04.09.2029			
XLVI Issue-9.30% redeemable w.e.f. 04.09.2019	4362.00	-	
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
v) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 lakh each redeemable at par in 12 (Twelve) equal installments			
XLVII Issue-8.93% redeemable w.e.f 20.10.2018	2640.00	-	
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
vi) Bonds of ₹ 10 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028			
XLIV Issue-8.70% redeemable w.e.f. 15.07.2018	3966.00	3,966.00	
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
vii) Bonds of ₹ 1.2 crores each consisting of 12 STRPPs of ₹ 10 lakhs each redeemable at par in 12 (twelve) equal annual instalments			
XLV Issue-9.65% redeemable w.e.f. 28.02.2018	1999.20	1,999.20*	
XLIII Issue-7.93% redeemable w.e.f. 20.05.2017	3126.00	3,126.00	
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			

Note 2.4/Long-term borrowings (contd...)

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
viii)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. XLI Issue-8.85% redeemable w.e.f. 19.10.2016	2842.50	2,842.50
	Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
ix)	Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (fifteen) equal annual instalments XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016	3090.00	3090.00
	Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
x)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. XL Issue-9.30% redeemable w.e.f. 28.06.2016	3997.50	3,997.50
	XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015	1828.75	1995.00
	XXXV Issue- 9.64% redeemable w.e.f 31.05.2015	1794.38	1957.50
	XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014	2906.25	3196.88
	XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014	2400.00	2640.00
	XXXII Issue- 8.84% redeemable w.e.f 29.03.2014	776.25	862.50
	XXXI Issue- 8.90% redeemable w.e.f 25.02.2014	1535.62	1706.25
	XXX Issue- 8.80% redeemable w.e.f 29.09.2013	1749.38	1943.75
	XXIX Issue- 9.20% redeemable w.e.f 12.03.2013	865.00	973.12
	XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012	1600.00	1800.00
	XXVII Issue- 9.47% redeemable w.e.f 31.03.2012	411.25	470.00
	XXVI Issue- 9.30% redeemable w.e.f 07.03.2012	582.75	666.00
	XXV Issue- 10.10% redeemable w.e.f 12.06.2011	621.25	710.00
	XXIV Issue- 9.95% redeemable w.e.f 26.03.2011	399.75	466.38
	XXIII Issue- 9.25% redeemable w.e.f 09.02.2011	153.75	179.37
	XXII Issue- 8.68% redeemable w.e.f 07.12.2010	345.00	402.50
	XXI Issue- 8.73% redeemable w.e.f 11.10.2010	255.00	297.50
	XX Issue- 8.93% redeemable w.e.f 07.09.2010	750.00	875.00
	XIX Issue- 9.25% redeemable w.e.f 24.07.2010	247.50	288.75
	XVIII Issue- 8.15% redeemable w.e.f 09.03.2010	416.25	499.50
	Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
xi)	Bonds of ₹1.00 crores each, consisting of 10 STRPPs of ₹10.00 Lakhs each redeemable at par in 10 (ten) equal annual instalments. XVII Issue- 7.39% redeemable w.e.f 22.09.2009	300.00	400.00
	XVI Issue- 7.10% redeemable w.e.f 18.02.2009	150.00	225.00
	Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
xii)	Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.		

Note 2.4/Long-term borrowings (contd...)

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
XV Issue-6.68% redeemable w.e.f. 23.02.2008	225.00		300.00
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
A1.2 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XIII issue-8.63% redeemable w.e.f 31.07.2006	135.00		202.50
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System			
A1.3 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XII issue- 9.70% redeemable w.e.f 28.03.2006	15.38		30.75
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System			
A1.4 Bonds of ₹3 crores each consisting of 12 STRPPs of ₹25 lakh each redeemable at par in 12 (twelve) equal annual instalments			
XI issue-9.80% redeemable w.e.f 07-12-2005	45.25		90.50
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta,Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahabad, LILO of Singraulli-Kanpur and Allahabad Sub-Station			
A1.5 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.			
XIV issue-6.10% redeemable w.e.f 17.07.2004	-		58.25
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.			
A1.6 Bonds of ₹12 lakh each redeemable at par in 12 (twelve) equal annual instalments			
X issue-10.90% redeemable w.e.f 21.06.2004	-		63.46
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation of the assets of CTP-Farakka & Chamera Transmission system			
		55061.96	46966.66
A2) Unsecured			
A2.1 Redeemable Foreign Currency Bonds			
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023		3159.50	3,030.50
Total (A)		58221.46	49997.16



Note 2.4/Long-term borrowings (contd...)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
B) Term loans from Banks		
B1) Rupee Loan (Secured)		
B1.1 i) Punjab National Bank-Loan-II	-	25.00
ii) Oriental Bank of Commerce	-	20.83
Secured by a floating charge on the fixed assets of the Company		
B1.2 Line of Credit (LOC) from State Bank of India -I	5000.00	5000.00
Line of Credit (LOC) from State Bank of India -II	2600.00	-
Secured by way of pari passu charge on assets of the company except investments, Land and Buildings and Current Assets.		
Total (B1)	7600.00	5045.83
B2) Foreign Currency Loans(Secured)		
B2.1 Bank of India Cayman Islands	232.80	255.20
Secured by a Floating charge on the immovable properties of the company		
B2.2 i) Nordic Investment Bank (PIL5120)	505.71	639.39
ii) ADB-VIII (2788-IND)	530.35	251.00
iii) International Finance Corporation	1011.04	1,333.42
iv) ICF Debt Pool LLP	315.95	303.05
Secured by pari passu interest in the liens created on the assets as security for the debts.		
B2.3 Guaranteed by Government of India		
From Asian Development Bank (ADB)		
ADB-II (1764-IND)	801.43	882.25
ADB-III (2152-IND)	1869.95	1922.47
ADB-IV (2415-IND)	2387.71	2130.90
ADB-V (2510-IND)	668.94	578.62
ADB-VI (2823-IND)**	307.94	283.25
ADB-VII (2787-IND)**	903.18	427.38
From International Bank for Reconstruction and Development (IBRD)		
PSDP-II (4603-IN)	1332.41	1466.73
PSDP-III (4813-IN)	1856.74	1920.79
PSDP-IV (4890-IN)	3202.56	3239.80
PSDP-IV (Addl.) (7593-IN)	2253.74	1864.05
PSDP-V (7787-IN)	3711.41	2862.55
Secured by pari passu interest in the lien created on the assets as security for the debts.		
Total B2	21891.86	20360.85
B3) Foreign currency Loans (Unsecured)		
B3.1 Skandinaviska Enskilda Banken AB(publ) Sweden	19.42	49.49
AB Svensk Exportkredit, Sweden	1458.64	1,045.49
B3.2 Guaranteed by Government of India		
Natixis Banque (Formerly Credit National) France	78.79	106.27
Japan International Cooperation Agency (Formerly Japan Bank for International Cooperation) Japan	105.45	129.02
Total (B3)	1662.30	1330.27
Total B	31154.16	26736.95

Note 2.4/Long-term borrowings (contd...)

(₹ in Crore)		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
C) Term Loan From Others		
Rupee Loans (Secured)		
C1 Life Insurance Corporation of India-II	-	55.16
Life Insurance Corporation of India-III	0.22	0.95
Secured by a floating charge on the fixed assets of the Company.	0.22	56.11
TOTAL (A TO C)	89375.84	76790.22

Further notes:

The Term loans are repayable in installments as per the terms of respective agreement generally over the period of 10 to 20 years after the moratorium period of 3 to 5 years.

* Security is created in the Current Year.

** Securities are yet to be created

Note 2.5/Deferred tax liabilities (Net)

(₹ in Crore)		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Deferred Tax liability		
Towards Fixed Assets(Net) (A)	6779.74	5941.14
Deferred Tax Assets		
Income during Construction Period	110.25	92.83
Self Insurance Reserve	13.49	20.13
Provisions allowable on payment basis	113.07	92.87
Advance Against Depreciation	670.90	685.94
Others	6.84	8.40
Sub-total (B)	914.55	900.17
Deferred Tax Liability (Net) (A-B)	5865.19	5040.97
Less:Deferred assets for deferred tax liability	3393.04	2598.01
Net Deferred Tax Liability	2472.15	2442.96

Further Note:

- Charge of ₹ 29.22 crore(Previous year ₹ 492.20 crore) has been made in the statement of Profit & Loss and credit of ₹0.03 crore relating to depreciation is directly adjusted in General reserve in terms of transitional provisions of Schedule II of Companies Act, 2013.
- The tariff norms for the block period 2014-2019 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2015 on the transmission income is accounted as 'Deferred Tax Assets against Deferred Tax Liability'. Deferred Tax Assets against Deferred Tax Liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax.

Note 2.6/Other Long term liabilities

(₹ in Crore)		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Other liabilities		
i) Deposits /Retention money from contractors and others.	654.69	691.97
ii) Advance from customers (Consultancy contracts)	401.03	358.41
iii) Dues for Capital Expenditure	22.88	282.96
iv) Others	19.28	3.96
Total	1097.88	1337.30

Further Note:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 2.43



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Note 2.7/Long-term provisions

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
Employee Benefits		
As per last balance sheet	524.37	442.63
Additions/(adjustments) during the year	55.86	81.74
Closing Balance	580.23	524.37
Total	580.23	524.37

Note 2.8/Short-term borrowings

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
Short Term Loans (Unsecured)		
From Banks	1200.00	2700.00
Total	1200.00	2700.00

Note 2.9/Trade payables

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
For goods and services	392.97	329.07
Total	392.97	329.07

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 2.43

Note 2.10/Other current liabilities

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
A) Current maturities of long term borrowings		
Secured		
Bonds	2791.71	2464.34
Rupee Term Loans	101.72	103.36
Foreign Currency Loans	1489.18	1066.29
	4382.61	3633.99
Un-secured		
Foreign Currency Loans	86.10	45.64
	4468.71	3679.63
B) Interest accrued but not due on borrowings from		
Indian Banks, Financial Institutions & Corporations	5.78	10.42
Foreign Banks & Financial Institutions	39.30	36.80
Secured/Unsecured redeemable Bonds	2315.99	2013.23
	2361.07	2060.45
C) Others		
i) Dues for capital expenditure	4647.30	4779.80
ii) Employee related liabilities	116.09	111.71
iii) Unpaid matured bonds		0.10
iv) Unclaimed dividends*	10.39	11.23
v) Deposits/Retention money from contractors and others.	4814.79	3033.98
vi) Advances from customers	1889.92	1398.96
vii) Statutory dues	148.93	149.48
viii) Related parties**	51.84	12.57
ix) Others	531.32	282.13
	12210.58	9779.96
Total	19040.36	15520.04

Further notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 2.43

* No amount is due for payment to Investor Education and Protection Fund

**Breakup of related parties is provided in Note 2.47(b)

Note 2.11/Short-term provisions

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
a) Employee Benefits		
i) Transmission incentive/special incentive		
As per last balance sheet	121.13	123.04
Addition during the year	106.45	159.96
Amount paid/adjusted during the year	28.71	161.87
Closing Balance	198.87	121.13
ii) Other Employee Benefits (Leave Encashment, Settlement Allowance and Long Service Award etc.)		
As per last balance sheet	37.78	25.08
Additions/(adjustments) during the year	2.93	12.70
Closing Balance	40.71	37.78
Total (A)	239.58	158.91
b) Others		
i) Taxation (Including interest on tax)		
As per last balance sheet		
Additions during the year	1281.25	1274.30
Amount adjusted during the year	(3221.97)	(1949.31)
Net off against taxes paid (Note 2.18)	4362.75	3223.61
Closing Balance	140.47	-
ii) Proposed Dividend		
As per last balance sheet	685.34	527.79
Additions during the year	685.34	685.34
Amounts paid during the year	685.34	527.79
Closing Balance	685.34	685.34
iii) Tax on proposed Dividend		
As per last balance sheet	116.47	88.66
Additions during the year	136.40	116.47
Amounts paid/adjusted during the year	116.47	88.66
Closing Balance	136.40	116.47
iv) Downtime Service Credit-Telecom		
As per last balance sheet	5.23	3.74
Additions during the year	2.15	2.18
Amounts adjusted/paid during the year	0.60	0.69
Closing Balance	6.78	5.23
vi) Provision Others		
As per last balance sheet	2.07	-
Additions during the year	1.31	2.07
Amounts adjusted/paid during the year	-	-
Closing Balance	3.38	2.07
Total (B)	972.37	809.11
Total (A+B)	1211.95	968.02



Note 2.12/Tangible assets

(₹ in Crore)

Particulars	Gross Block					Depreciation/Amortisation					Net Block		
	As at 1 st April, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	Upto 31 st Mar, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014	
Land													
a) Freehold	1667.64	107.56	-	(34.32)	1809.52	-	-	-	-	-	1809.52	1667.64	
b) Leasehold	264.40	9.93	-	(3.65)	277.98	35.87	12.84	-	1.97	46.74	231.24	228.53	
Buildings													
a) Sub-Stations & Office	644.66	70.26	-	(6.82)	721.74	190.93	24.33	-	(2.48)	217.74	504.00	453.73	
b) Township	497.21	21.01	-	(6.90)	525.12	133.00	20.08	-	(2.03)	155.11	370.01	364.21	
Temporary Erection	9.78	0.65	-		10.43	9.78	0.77	-	0.14	10.41	0.02	-	
Roads & Bridges	163.08	15.77	-	(0.34)	179.19	46.19	7.60	-	(0.55)	54.34	124.85	116.89	
Water Supply Drainage & Sewerage	104.03	6.38	-	(0.17)	110.58	30.33	4.61	-	0.06	34.88	75.70	73.70	
Plant & Equipment													
a) Transmission	57033.59	15464.22	-	(3.52)	72501.33	13327.09	3197.56	-	29.32	16495.33	56006.00	43706.50	
b) Substation	32774.99	4978.12	8.69	(568.93)	38313.35	8284.47	1767.35	0.52	3.11	10048.19	28265.16	24490.52	
c) Unified Load Despatch & Communication	412.65	127.42	-	(106.31)	646.38	284.02	31.49	-	(61.26)	376.77	269.61	128.63	
d) Telecom	1484.82	46.74	-	100.34	1431.22	603.37	95.88	-	62.68	636.57	794.65	881.45	
Furniture Fixtures	87.61	8.73	0.01	(0.17)	96.50	40.24	5.29		0.19	45.34	51.16	47.37	
Office equipment	99.02	12.31	0.08	(0.23)	111.48	42.96	5.97	0.05	0.14	48.74	62.74	56.06	
Electronic Data	97.71	20.01	0.85	(0.18)	117.05	74.72	12.72	0.75	0.20	86.49	30.56	22.99	
Processing & Word Processing Machines													
Vehicles	4.56	0.16		0.12	4.60	2.24	0.36			2.60	2.00	2.32	
Construction and Workshop equipment	169.03	43.41	-	(4.17)	216.61	38.72	10.46	-	0.11	49.07	167.54	130.31	
Electrical Installation	123.57	3.64	-	(0.10)	127.31	43.33	6.18	-	0.45	49.06	78.25	80.24	
Laboratory Equipments	71.44	4.07	-	(0.08)	75.59	33.85	3.47	-	0.12	37.20	38.39	37.59	
Workshop & Testing Equipments	30.61	8.71	-	(0.15)	39.47	15.64	1.04	-	-	16.68	22.79	14.97	
Miscellaneous Assets/ Equipments	0.11	-		-	0.11	0.07			-	0.07	0.04	0.04	
Total	95740.51	20949.10	9.63	(635.58)	117315.56	23236.82	5208.00	1.32	32.17	28411.33	88904.23	72503.69	
Less: Provision for assets discarded	10.40	-	-	0.07	10.33	8.66	-	-	0.05	8.61	1.72	1.74	
Grand Total	95730.11	20949.10	9.63	(635.65)	117305.23	23228.16	5208.00	1.32	32.12	28402.72	88902.51	72501.95	
Previous Year Total	80013.22	14139.26	0.67	(1588.70)	95740.51	19133.77	4107.05	0.47	3.53	23236.82	72503.69		
Less: Provision for assets discarded	10.47	-	-	0.07	10.40	8.71	-	-	0.05	8.66	1.74		
Previous Year Grand Total	80002.75	14139.26	0.67	(1588.77)	95730.11	19125.06	4107.05	0.47	3.48	23228.16	72501.95		

Further Notes:

- The company owns 6647 hectare (previous Year 6525 hectare) of land amounting to ₹ 2087.50 crore (previous Year ₹ 1932.04 crore) which has been classified into freehold ₹1809.52 crore (previous year ₹ 1667.64 crore) and leasehold ₹ 277.98 crore (previous year ₹ 264.40 crore) based on available documentation
- The land classified as leasehold land held in the State of Jammu and Kashmir amounting to ₹ 68.53 crore (Previous Year ₹ 64.97 crore) is acquired by state Government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and company is only given possession for the specific use.
 - The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f 1st April 1993 from National Hydroelectric Power Corporation of India Ltd. (NHPC) upon mutually agreed terms pending completion of legal formalities.
- Freehold land includes ₹ 33.71 crore (previous year ₹ 36.02 crore) and ₹ 192.08 crore (previous year ₹ 234.95 crore) in respect of land acquired by the Company for which conveyance deed in favour of the Company and mutation in revenue records respectively is pending.
- Leasehold land includes ₹ 7.64 crore (previous year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis with an unlimited useful life at Katwaria Sarai, New Delhi and hence not amortised
- Leasehold land includes ₹ 13.97 crore (previous year ₹ 13.97 crore) in respect of land in chambha (HP) acquired from NHPC by the company for which legal formalities are pending.
- Township buildings includes ₹ 7.27 crore (previous year ₹ 7.27 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending.
- Land at Bina Sub-station measuring 13.90 acres (Previous year 13.90 acres) having value of ₹ 0.04 crore (Previous year ₹ 0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.

Note 2.13/Intangible assets

Particulars	Gross Block					Depreciation/Amortisation				Net Block	
	As at 1 st April, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	Upto 31 st Mar, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	As at 31 st March, 2014
Electronic Data	12.26	36.79	-		49.05	6.01	1.11	-	(6.96)	14.08	34.97
Processing Software											
Right of Way-Afforestation Expenses	761.29	148.16	-	(0.53)	909.98	115.42	46.69	-	0.86	161.25	748.73
Total	773.55	184.95	-	(0.53)	959.03	121.43	47.80	-	(6.10)	175.33	783.70
Previous Year Total	597.30	137.96	-	(38.29)	773.55	74.35	38.21	-	(8.87)	121.43	652.12

Note 2.14/Capital work in progress

Particulars	As at 1 st April, 2014	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2015
Land					
Development of land	56.43	94.09	39.44	106.74	4.34
Buildings					
a) Sub-Stations & Office	232.98	226.25	85.64	69.84	303.75
b) Township	61.08	32.86	10.89	20.51	62.54
Temporary erection	0.87	-	0.85	-	0.02
Roads & Bridges	23.97	-	9.26	8.77	5.94
Water Supply Drainage and Sewerage	9.72	-	2.80	4.66	2.26
Plant & Equipments (including associated civil works)					
a) Transmission	22425.32	18801.07	(82.02)	14861.63	26446.78
b) Sub-Station	3017.22	7617.50	(34.91)	4444.39	6225.24
c) Unified Load Despatch & Communication	165.39	314.13	0.02	127.20	352.30
d) Telecom	70.42	37.73	34.36	26.12	47.67
Furniture & Fixtures	0.91	-	0.31	0.45	0.15
Other office equipments	0.57	6.04	0.01	1.56	5.04
Electrical Installations	16.22	-	14.73	1.49	-
Expenditure pending allocation					
i) Survey, investigation, consultancy & supervision Charges	61.00	-	16.23	18.98	25.79
ii) Difference in Exchange on foreign currency loans	1207.52	(76.25)	173.13	141.09	817.05
iii) Expenditure during construction period(net) (Note 2.32)	4152.79	3034.91	1782.37	29.66	5375.67
TOTAL	31502.41	30088.33	2053.11	19863.09	39674.54
Less: Provision for unserviceable Assets					3.64
Grand Total	31502.41	30088.33	2053.11	19863.09	39670.90
Previous Year	18921.30	27677.33	1497.84	13598.38	31502.41



Note 2.15/Intangible assets under development

Particulars	As at 1 st April, 2014	Additions	Adjustments	Capitalised during the year	As at 31 st March, 2015
Electronic Data Processing Software	17.67	25.79	8.37	35.00	0.09
Right of Way-Afforestation expenses	266.54	-	(18.91)	148.00	137.45
Development Expenditure	64.79	7.38	(1.58)	-	73.75
Total	349.00	33.17	(12.12)	183.00	211.29
Previous Year	193.62	223.27	(58.56)	126.45	349.00

Note 2.16/Construction stores

(For mode of valuation refer note 1.18)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Towers	2461.98	4209.34
Conductors	3386.47	5087.57
Other Line Materials	1576.19	2615.22
Sub-Station Equipments	2523.66	2507.46
High Voltage Direct Current (HVDC) Equipments	2850.07	3022.46
Unified Load Despatch & Communication(ULDC) Materials	200.78	88.73
Telecom Materials	8.39	19.32
Others	34.44	75.30
	13041.98	17625.40
Less: Provision for shortages and obsolete material	0.02	0.10
TOTAL	13041.96	17625.30
Construction Stores include:		
i) Material in transit		
Towers	6.39	9.45
Conductors	13.35	-
Other Line Materials	62.93	46.74
Sub-Station Equipments	794.03	219.63
High Voltage Direct Current (HVDC) Equipments	413.54	904.31
Unified Load Despatch & Communication(ULDC) Materials	11.68	-
Others	12.05	14.09
Total	1313.97	1194.22
ii) Material with Contractors		
Towers	2455.59	4199.89
Conductors	3373.12	5087.57
Other Line Materials	1513.26	2568.48
Sub-Station Equipments	1729.63	2259.94
High Voltage Direct Current (HVDC) Equipments	2436.53	2118.06
Unified Load Despatch & Communication(ULDC) Materials	189.10	59.02
Telecom Materials	8.39	19.32
Others	-	42.42
Total	11705.62	16354.70
Grand total	13019.59	17548.92

Further Notes:

Pending reconciliation, materials amounting to ₹112.34 crore (previous year ₹100.91 crore) in commissioned lines is shown as construction stores lying with contractors.

Note 2.17/Non-current investments

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
LONG TERM		
A. TRADE INVESTMENTS (AT COST)		
I. Equity Instruments-Fully Paid up :-		
Quoted		
PTC India Limited		
12000006(Previous year 12000006) Shares of ₹10/- each	12.00	12.00
{Market Value ₹ 97.08 crore @ 80.90 (NSE) per share(Previous year ₹ 81.36 crore @ 67.80 (NSE) per share)}		
Unquoted		
Subsidiary Companies		
Power System Operation Corporation Limited		
30640000(Previous year 30640000) Shares of ₹ 10 each.	30.64	30.64
Powergrid NM Transmission Limited		
24000000(Previous year 50000) Shares of ₹ 10 each.	24.00	0.05
Powergrid Vemagiri Transmission Limited		
50000(Previous year 50000) Shares of ₹ 10 each.	0.05	0.05
Less: Provision for diminution in the value of Investment	0.05	0.05
	-	-
Powergrid Vizag Transmission Limited		
54730000(Previous year 50000) Shares of ₹ 10 each.	54.73	0.05
Powergrid Unchahar Transmission Limited		
50000(Previous year 50000) Shares of ₹ 10 each.	0.05	0.05
Powergrid Kala Amb Transmission Limited		
50000(Previous year NIL) Shares of ₹ 10 each.	0.05	
Vindhyachal-Jabalpur Transmission Limited		
50000(Previous year NIL) Shares of ₹ 10 each.	0.05	
Joint Venture Companies		
Torrent Power Grid Limited		
23400000 (Previous year 23400000) Shares of ₹ 10/- each.	23.40	23.40
Jaypee Powergrid Limited		
78000000 (Previous year 78000000) Shares of ₹ 10/- each	78.00	78.00
Parbati Koldam Transmission Company Limited		
70937620 (Previous year 56231240) Shares of ₹ 10/- each.	70.94	56.23
Teestavalley Power Transmission Limited		
41011762 (Previous Year 41011762) Shares of ₹ 10/- each.	41.01	41.01
Powerlinks Transmission Limited		
229320000 (Previous year 229320000) Shares of ₹ 10/- each	229.32	229.32
North East Transmission Company Limited		
106964000 (Previous year 106964000) Shares of ₹ 10/- each	106.96	106.96
Energy Efficiency Services Limited		
22500000 (Previous year 22500000)Shares of ₹ 10/- each	22.50	22.50
National High Power Test Laboratory Limited		
23900000 (Previous year 14875000) Shares of ₹ 10/- each	23.90	14.88
Cross Border Power Transmission Company Limited		
4940000 (Previous year 4940000) Shares of ₹ 10/- each	4.94	4.94



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Note 2.17/Non-current investments (contd...)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Kalinga Bidyut Prasaran Nigam Private Limited 5000 (Previous year 5000) Shares of ₹ 10/- each	0.01	0.01
Bihar Grid Company Limited 10025000 (Previous year 25000) Shares of ₹ 10/- each	10.02	0.02
Power Transmission Company Nepal Ltd 1560000 (Previous year NIL) Shares of Nepali ₹ 10/- each	0.98	-
	733.50	620.06
II. Govt. Securities (Unquoted):-		
8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006	7.49	194.27
TOTAL (A)	740.99	814.33
B. Non-trade investments (Unquoted)		
Equity shares-Fully paid-up		
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Itarsi (₹ 5000/-)	0.00	0.00
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Nagpur (₹ 5000/-)	0.00	0.00
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Jabalpur (₹ 5000/-)	0.00	0.00
1 (Previous year NIL) share of ₹ 10/- in Bharat Broadband Network Ltd (₹ 10/-)	0.00	0.00
Total (B)	0.00	0.00
GRAND TOTAL (A+B)	740.99	814.33

Further notes:

- Aggregate amount of Quoted Investments
Book value **12.00** 12.00
Market Value **97.08** 81.36
Aggregate amount of Unquoted Investments
Book value **728.99** 802.33
- 229319997 shares (Previous year 229319997) of Powerlinks Transmission Ltd. held by the Company have been pledged as continuous security with consortium of financial institutions against financial assistance obtained by Powerlinks Transmission Limited.
- Investments have been valued as per accounting policy no. 1.11 (Note no 1)

Note 2.18/Long-term loans and advances

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A) Advances for Capital Expenditure		
i) Secured	0.26	0.83
ii) Unsecured		
a. Against bank guarantees	2783.94	3268.35
b. Others	583.24	584.43
iii) Unsecured considered doubtful	3.00	1.14
	3370.18	3853.92
Less: Provision for bad & doubtful Advances	3.00	1.14
	3367.18	3852.78
	3367.44	3853.61

Note 2.18/Long-term loans and advances (contd...)

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
B) Loans			
i) Employees (including interest accrued)			
Secured	169.74		152.05
Unsecured	7.82		8.79
		177.56	160.84
ii) Long term loan (Under securitisation Scheme)		-	23.14
iii) Lease receivables		376.61	468.74
iv) Loans to Subsidiaries		229.70	-
		783.87	652.72
C) Security Deposits		9.58	4.48
D) Advances to related parties*			
i) Considered good		-	39.64
ii) Considered doubtful		19.37	19.35
		19.37	58.99
Less: Provision for Doubtful advances		19.37	19.35
		-	39.64
E) Advances recoverable in cash or in kind or for value to be received			
Contractors & Suppliers (including material issued on Loan)	1.05		3.46
Employees	12.75		10.24
Others	3.20		9.64
Balance with Customs Port Trust and other authorities	-		1.44
Advance tax and Tax deducted at source	4362.75		3232.77
Less: Provision for taxation	4362.75		3223.61
		-	9.16
	17.00		33.94
Considered doubtful	3.59		6.20
		20.59	40.14
Less: Provision for doubtful Advances		3.59	6.20
		17.00	33.94
TOTAL		4177.89	4584.39
Due from:			
Directors		0.11	0.04
Officers		6.31	8.52

Further notes:

*Breakup of advances to related parties is provided in Note 2.47(b)

Note 2.19/Current investments

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
CURRENT MATURITIES OF LONG TERM INVESTMENTS (AT COST)			
TRADE INVESTMENTS			
Govt. Securities (Unquoted):-			
8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006		185.43	184.35
GRAND TOTAL		185.43	184.35

Further notes:

1) Aggregate amount of Unquoted Investments

Book value

185.43

184.35

2) Investments have been valued as per accounting policy no. 1.11(Note no 1)



पावरग्रिड

Note 2.20/Inventories

(₹ in Crore)

Particulars	As at 31 st March,2015	As at 31 st March,2014
(As taken valued and certified by the Management)		
(For mode of valuation refer Note 1.12)		
Loose tools	10.64	0.96
Consumable stores	5.06	2.10
Components, Spares & other spare parts:		
Towers	167.46	158.21
Conductors	51.08	57.27
Other Line Materials	212.70	190.86
Sub-Station Equipments/Spares	187.32	199.99
High Voltage Direct Current Equipments/spares	82.13	61.05
Unified Load Despatch Centre Spares	3.79	1.66
Telecom Spares	5.70	5.69
Other Stores	12.03	34.88
	737.91	712.67
Less: Provision for Shortages/damages etc	20.16	0.27
TOTAL	717.75	712.40
Inventories includes material in transit		
Towers	0.01	-
Other Line Materials	0.01	0.08
Total	0.02	0.08

Note 2.21/Trade receivables

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 st March,2015	As at 31 st March,2014
i) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	194.64	134.36
Considered doubtful	27.33	21.23
	221.97	155.59
ii) Others	1924.01	1444.10
	2145.98	1599.69
Less: Provision for bad & doubtful trade receivables	27.33	21.23
TOTAL	2118.65	1578.46

*Breakup of Trade receivables from related parties is provided in Note 2.47(b)

Note 2.22/Cash and Bank balances

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
1) Cash and Cash Equivalents		
Balance with banks-		
-In Current accounts	1067.53	778.15
-In designated current accounts (to be utilised for consultancy assignments)	984.90	653.13
Drafts/Cheques in hand*	-	-
Cash in hand	0.01	0.01
Stamps and Imprest	0.15	.*
	2052.59	1431.29
2) Other Bank Balances		
-In current account (Unclaimed dividend)	10.39	11.23
-In Term Deposits having maturity over 3 months (FPO proceeds to be utilised for identified projects)	-	2975.00
TOTAL	2062.98	4417.52

Further notes:

Balance with Banks in current accounts and designated current accounts under cash and cash equivalents above, includes liquid flexi term deposit ₹442.62 crore (previous year ₹150.97 crore) and ₹ 982 crore (previous year ₹611.82 crore) respectively

* Less than ₹ 0.01 crore

Note 2.23/Short-term loans and advances

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
A) Loans		
a) Employees including interest accrued		
i) Secured	15.06	24.39
ii) Unsecured	5.68	5.39
	20.74	29.78
b) Others		
Current maturities of Long Term Advances (Under securitisation Scheme)	23.14	23.14
Current Maturities of Lease Receivables	73.68	66.91
Others	0.03	
	96.85	90.05
Total(A)	117.59	119.83
B) Advances to related parties*	151.63	60.94
C) Advances recoverable in cash or in kind or for value to be received		
a) Employees	14.95	19.26
b) Others		
Contractors & Suppliers (Including Material issued on loan)	27.78	17.17
Balance with Customs Port Trust and other authorities	31.98	28.78
Others	222.49	194.66
	282.25	240.61
Total (C)	297.20	259.87
Total(A+B+C)	566.42	440.64
Directors	0.08	0.01
Officers	1.98	2.78

Further notes:

*Breakup of advances to related parties is provided in Note 2.47(b)



पावरग्रिड

Note 2.24/Other current assets

(Unsecured considered good unless otherwise stated)

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
a) Unbilled Revenue	2232.34	1608.74
b) Interest accrued but not due		
Interest accrued on Investments (Bonds)	12.09	20.19
Interest accrued on Term/Fixed Deposits	0.86	70.11
c) Claims recoverable	3.85	3.81
d) Others	29.73	32.78
e) Doubtful claims	-	1.09
	2278.87	1736.72
Less: Provision for doubtful claims	-	1.09
TOTAL	2278.87	1735.63

Further notes:

Unbilled revenue ₹947.31 crore (Previous year ₹615.33 Crore) represent amount for which the company is yet to raise bills in view of recognition of revenue as per CERC Tariff norms and also includes transmission charges for the month of March, 2015 amounting to ₹1285.03 crores (previous year ₹993.41 crore) billed to beneficiaries in the month of April, 2015 (Previous year April, 2014).

Note 2.25/Revenue from operations

Particulars	(₹ in Crore)	
	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
i) Transmission Business		
Sales of services		
Transmission Charges	16371.36	13969.52
Add: Revenue recognised out of advance against depreciation	79.50	76.89
Add: -Short term open access	-	203.64
	16450.86	14250.05
Other operating revenue		
Interest on differential between Provisional and Final Tariff by CERC	70.88	77.54
	16521.74	14327.59
ii) Telecom Business		
Sales of services		
NLD	272.48	268.41
IP-1	8.44	8.62
ISP	2.77	1.68
Others	15.59	8.48
	299.28	287.19
Less: Inter Divisional Transfer		
NLD	18.97	5.65
IP-1	5.16	5.16
ISP	0.26	0.24
	24.39	11.05
	274.89	276.14
iii) Consultancy Project Management and Supervision		
Sales of services	380.60	332.48
Sales of products	-	294.07
	380.60	626.55
Total	17177.23	15230.28

Further notes:

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations 2014" vide order dated 21st February, 2014 for the determination of transmission tariff for the block period 2014-19.
- Income on account of Transmission Charges for the year has been provisionally recognised based on "CERC (Terms and Conditions of Tariff) Regulations 2014" pending issuance of final tariff orders (wherever tariff petitions have been filed) and filing of tariff petitions in certain cases for block period 2014-19. However beneficiaries are being billed as follows:

Note 2.25/Revenue from operations (contd...)

- i) In respect of the assets commissioned prior to 31-03-2014, in accordance with the tariff approved and applicable as on 31st March 2014 as provided in CERC (Terms and Conditions of Tariff) Regulations 2014.
- ii) In respect of assets commissioned after 31-03-2014 up to 90% of the tariff claimed wherever provisional orders have been issued by the CERC.
- c) In terms of CERC notification dated 11th September, 2013, no income is accruing on account of Short Term Open Access (STOA) w.e.f. 11th September 2013. Accordingly, the relevant accounting policy has been deleted/ discontinued in the current Financial Year.

Note 2.26/Other income

(₹ in Crore)		
Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A) Income from non-current Investments		
i) Dividend		
Subsidiary	15.32	21.45
Others	82.45	67.56
ii) Interest on Govt. securities	28.11	43.68
B) Other Interest		
Loan to State Govt. in settlement of dues	2.95	4.26
Indian Banks	262.30	192.01
Interest from advances to contractors	150.99	231.24
Others	12.90	9.81
	555.02	570.01
C) Others		
Profit on sale of Fixed Assets	1.90	0.10
Deferred Income (Transferred from Grants-in-aid)	21.95	21.96
Transfer from Insurance Reserve on A/c of Losses of Fixed Assets	20.21	5.83
Lease Income-State Sector ULDC	37.18	38.84
Surcharge	65.95	74.51
Hire charges for equipments	0.22	0.12
FERV gain	12.46	-
Rebate	0.34	0.35
Provisions written back	5.50	5.25
Miscellaneous income	74.76	75.96
	795.49	792.93
Less: Income transferred to expenditure during construction(Net)-Note 2.32	192.68	301.80
TOTAL	602.81	491.13

Note 2.27/Employee benefits expense

(₹ in Crore)		
Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Salaries wages allowances & benefits	1185.87	1123.94
Contribution to provident and other funds	268.33	159.42
Staff Welfare expenses	145.56	116.66
	1599.76	1400.02
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	576.11	458.34
TOTAL	1023.65	941.68

Further notes:

- a) Employees' remuneration and benefits include the following for the whole time directors, including chairman and managing director and excluding arrears paid to ex-directors.



Note 2.27/Employee benefits expense (contd...)

(₹ in Crore)

Particulars	Current Year	Previous year
Salaries and Allowances	1.95	1.69
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.24	0.23
Other benefits	0.71	0.29

b) In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No.2(23)/11-DPE(WC)-GL-V/13 dt. 21.01.2013 .

c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance up to 10% of Basic pay amounting to ₹17.48 crore for the financial year 2014-15 (Cumulative amounting to ₹ 96.34 crore upto 31.03.2015) is being paid to employees who are posted in the difficult and far flung areas. The above allowance is above the maximum ceiling of 50% of Basic Pay as per DPE office memorandum no. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26-Nov-2008.

d) Employee benefit expenses for the year includes ₹87.28 crore as balance contribution towards Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme for the period 01.01.2007 to 31.03.2012.

Note 2.28/Finance costs

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A) i) Interest on loans from		
Indian Banks, Financial Institutions & Corporations	1058.04	571.13
Foreign Banks and Financial Institutions	210.61	222.49
Secured/Unsecured redeemable Bonds	4755.96	4238.37
Foreign Currency Bonds	126.13	126.71
ii) Interest-Others	14.21	13.01
	6164.95	5171.71
B) Other borrowing costs		
Commitment charges	14.40	18.20
Guarantee Fee	238.52	204.59
Other finance charges	21.05	47.64
	273.97	270.43
	6438.92	5442.14
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	2459.60	2274.62
TOTAL	3979.32	3167.52

Note 2.29/Depreciation and amortization expense

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Depreciation/amortisation on Tangible Assets	5208.00	4107.05
Amortisation of Intangible assets	47.80	38.21
	5255.80	4145.26
Less: Transferred to Expenditure During Construction(Net)-Note 2.32	12.64	9.47
	5243.16	4135.79
Less: Depreciation amortised due to FERV adjustment	157.75	140.11
Charged To Statement of Profit & Loss	5085.41	3995.68

Note 2.30/Transmission, Administration and other expenses

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Repair & Maintenance		
Buildings	45.82	30.27
Plant & Machinery		
Sub-Stations	226.27	191.95
Transmission lines	116.63	71.28
Telecom equipments	20.37	25.99
Others	12.95	8.58
	376.22	297.80
System and Market Operation Charges	17.57	17.53
Power charges	170.01	122.25
Less: Recovery from contractors	1.25	1.12
	168.76	121.13
Expenses of Diesel Generating sets	6.53	5.71
Stores consumed	1.02	0.06
Water charges	1.22	1.04
Right of Way charges(Telecom)	4.41	4.94
Patrolling Expenses-Telecom	1.99	1.71
Last Mile connectivity-Telecom	2.21	0.12
Training & Recruitment Expenses	24.31	19.28
Less:Fees for training and application	0.03	0.15
	24.28	19.13
Legal expenses	10.55	7.16
Professional charges(Including TA/DA)	11.52	23.96
Consultancy expenses(Including TA/DA)	4.59	1.60
Communication expenses	14.68	14.29
Travelling & Conv.exp.(excluding foreign travel)	107.45	87.32
Foreign travel	13.21	11.89
	120.66	99.21
Tender expenses	22.04	18.17
Less: Sale of tenders	5.04	3.49
	17.00	14.68
Payments to Statutory Auditors		
Audit Fees	0.57	0.51
Tax Audit Fees	0.11	0.10
In Other Capacity	1.13	0.58
Arrears	0.13	0.15
Out of pocket Expenses	0.78	0.66
	2.72	2.00
Advertisement and publicity	12.22	7.62
Printing and stationery	6.36	6.62
Books Periodicals and Journals	1.16	1.19
EDP hire and other charges	3.94	4.11
Entertainment expenses	2.09	1.75
Brokerage & Commission	0.36	0.53
Research & Development expenses	3.40	0.67
Cost Audit and Physical verification Fees	0.76	0.67
Rent	11.32	11.23
Capital Expenditure on assets not owned by the Company	3.93	3.07
CERC petition & Other charges	37.88	32.49



Note 2.30/Transmission, Administration and other expenses (contd...)

(₹ in Crore)

Particulars		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Miscellaneous expenses	59.81		43.24
Horticulture Expenses	12.23		10.67
Security Expenses	103.28		89.17
Hiring of Vehicle	124.12		94.53
Insurance	72.38		57.59
Rates and taxes	7.85		6.60
License Fees to DOT	23.44		22.59
Bandwidth charges dark fibre lease charges (Telecom) etc	22.35		20.56
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	27.73		21.66
Transit Accomodation Expenses	9.17		8.63
Less : Income from Transit Accomodation	0.92		0.95
	8.25		7.68
Rebate to Customers	114.29		114.95
Foreign Exchange Rate Variation (Net of FERV gain & amount recoverable)			8.34
Provisions			
Others	43.95		22.35
	43.95		22.35
	1534.85		1252.22
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	179.95		144.09
		1354.90	1108.13
Loss on Disposal/Write off of Fixed Assets		0.26	4.73
Total		1355.16	1112.86
Stores consumption included in repair and maintenance		137.53	110.52

Further Notes:

The Company has allowed rebate against payment received through LC / cheques / RTGS for effecting better and timely recovery of dues from State Power Utilities on consistent basis

Note 2.31/Prior period items(Net)

(₹ in Crore)

Particulars		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Income			
Transmission charges		1.74	(6.21)
Others		(0.66)	6.24
		1.08	0.03
Expenditure			
Power charges		37.77	
Rates and taxes		3.76	0.73
Depreciation/amortisation			14.85
Others		5.96	5.09
		47.49	20.67
Prior period expenditure/(income)(Net)		46.41	20.64
Less: Transferred to Expenditure during Construction(Net) -Note 2.32		(0.71)	0.12
Total		47.12	20.52

Note 2.32/ Expenditure during Construction (Net)

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A. Employees Remuneration & Benefits		
Salaries wages allowances and benefits	465.94	379.99
Contribution to provident and other funds	80.69	53.09
Welfare expenses	29.48	25.26
Total(A)	576.11	458.34
B. Other Expenses		
Repair and maintenance		
Buildings	4.40	2.64
Others	3.81	2.06
	8.21	4.70
Power charges	11.40	18.67
Less: Recovery from contractors	0.39	0.60
	11.01	18.07
Expenses on Diesel Generating sets	0.88	1.05
Water charges	0.50	0.25
Training & Recruitment Expenses	0.07	0.01
Legal expenses	2.74	1.57
Professional charges	2.59	2.10
Consultancy expenses	1.41	0.39
Communication expenses	2.43	2.94
Travelling & Conv.exp. (Including Foreign Travel)	46.28	40.23
Tender expenses	8.28	7.97
Less: Sale of tenders	4.49	3.16
	3.79	4.81
Payment to Auditors	0.06	0.14
Advertisement and Publicity	0.53	0.26
Printing and stationery	0.78	0.72
Books, Periodicals and Journals	0.02	0.02
EDP hire and other charges	1.07	0.30
Entertainment expenses	0.13	0.21
Brokerage and commission	0.07	0.06
Rent	4.91	4.14
Miscellaneous expenses	15.51	5.34
Horticulture Expenses	0.42	0.61
Security Expenses	19.47	18.37
Hiring of Vehicles	55.53	34.21
Insurance	0.61	1.35
Rates and taxes	0.23	1.08
Bandwidth charges, dark fibre lease charges(Telecom)	0.19	0.11
Transit Accommodation Expenses	0.54	1.09
Less : Income from Transit Accommodation	0.03	0.04
	0.51	1.05
Sub-total	179.95	144.09
Prior Period adjustment (net)	(0.71)	0.12
Total(B)	179.24	144.21

Note 2.32/ Expenditure during Construction (Net) (contd...)

(₹ in Crore)

Particulars		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
C. Depreciation/Amortisation		12.64	9.47
D. Finance Costs			
a) Interest on Loans from			
Indian Banks, Financial Institutions and Corporations	557.31		272.56
Foreign Banks and Financial Institutions	107.15		110.67
Secured/Unsecured Redeemable Bonds	1637.90		1664.80
Foreign Currency Bonds	70.72		125.93
	2373.08		2173.96
b) Other borrowing costs			
Commitment charges	13.24		17.99
Guarantee fee	71.09		56.56
Other Finance Charges	2.19		26.11
	86.52		100.66
Total (D)		2459.60	2274.62
E. Less: Other Income			
Interest from			
Indian banks	33.08		59.74
Contractors	147.22		224.83
Others	1.37		1.65
	181.67		286.22
Miscellaneous income	11.01		15.58
Total (E)		192.68	301.80
GRAND TOTAL (A+B+C+D-E)		3034.91	2584.84

OTHER NOTES

2.33 Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies effected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (Govt. of India) during 2002-03 due to non availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of accounts. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

In this regard the Cumulative amount received and de-capitalized upto 31st March 2015 is ₹ 12.12 crore (previous year ₹ 12.12 crore). The company continued to show the balance of ₹ 197.87 crore as at 31st March 2015 (previous year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

2.34 Out of the proceeds of Follow on Public Offer (FPO) made in Financial Year 2013-14, a sum of ₹ 2975 crore (Previous Year ₹ 2346.31 crore) has been utilised during the year for part financing of capital expenditure on the projects and general corporate purpose as per objects of the issue resulting in complete utilisation of funds amounting to ₹ 5321.31 crore raised through FPO.

2.35 a) Certain balances in Loans and Advances & Trade Payables are subject to confirmation and consequential adjustments, if any.
b) In the opinion of the management, the value of any of the assets other than fixed assets and non current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.

2.36 Information in respect of cost plus consultancy contracts, considering the same as consultancy business as required under Accounting Standard (AS)-7 (Revised 2002) "Construction Contracts " is provided as under :

(₹ in Crore)			
	Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
i)	The amount of revenue recognised on cost plus consultancy contract works	286.65	259.08
ii)	The methods used to determine the contract revenue recognised 15% of total consultancy fees upto award stage to executing agencies (out of which 10% upto issue of notices inviting tenders), 85% with progress of work including supplies (Progress of work is taken as certified by engineer in charge).	Accounting Policy -1.13.8	Accounting Policy -1.13.8
iii)	Cumulative amount of costs incurred on construction contracts	13297.23	13123.72
iv)	Cumulative amount of advance received from customers as at the year end	15493.67	14648.74
v)	Amount of retention money with customers as at the year end	31.70	52.88
vi)	Gross amount due from customers for contract works as an asset as at the year end	44.28	75.72
vii)	Gross amount due to customers for contract works as a liability as at the year end	1312.14	943.96

2.37 The company has been entrusted with the responsibility of billing collection and disbursement (BCD) of the transmission charges on behalf of all the ISTS (Interstate transmission System) licensees through the mechanism of the POC (Point of Connection) charges introduced w.e.f. 01st July 2011 which involves billing based on approved draw/injection of power in place of old mechanism based on Mega Watt allocation of power by Ministry of Power. By this mechanism, revenue of the company will remain unaffected.

Some of the beneficiaries aggrieved by the POC mechanism have preferred appeal before various High Courts of India. All such appeals have been transferred to Delhi High Court as per order of the Supreme Court on the appeal preferred by the company and company has also requested for directing agitating states to pay full transmission charges as per new methodology pending settlement of the matter. Honorable Delhi High Court has directed all the above beneficiaries to release payments and accordingly the beneficiaries have started making payments as per the said directions.

2.38 CERC issued tariff order dated 29.04.2011 in respect of Barh-Balia Transmission line considering the date of commercial operation (DOCO) 01.07.10 in line with their Regulation. Against this tariff order, one of the beneficiaries filed appeal before the Appellate Tribunal for Electricity (ATE) challenging the tariff approved by CERC based on above DOCO claimed by the company. The ATE vide its order dated 02.07.2012 observed that the DOCO of 01.07.2010 was not appropriate as the appellant had reported that the transmission line was put in regular service from August 2011 i.e. when it was put in regular service when the other end in the scope of the generating company viz. NTPC was completed i.e. August 2011 though Company had completed its scope as on 01.07.2010. Accordingly, the ATE remanded CERC for redetermination of DOCO and tariff of the Transmission line. Upon this, the company filed an appeal in the Supreme Court explaining that the DOCO of 01.07.2010 was as per CERC Regulations. The Hon'ble Supreme Court on 15.03.2013 had stayed all the proceedings before the CERC for the said Transmission System based on the appeal filed by the Company.

The Company had also filed another petition on 28.02.2013 before the Central Electricity Regulatory Commission (CERC) for determination of revised transmission tariff on the basis of revised cost estimate approved by its Board of Directors. Subsequently on 08.10.2013, in its interim order, the Hon'ble Supreme Court has directed the CERC to proceed with determination of tariff for the said Transmission System pending disposal of the appeal regarding determination of DOCO date. The decision of redetermination of DOCO is awaited from CERC.

OTHER NOTES (contd...)

Since the decision of the date of DOCO is pending before the Supreme Court, and also considering that 01.07.2010 as the correct DOCO as per CERC Regulations, no adjustment has been made in respect of Revenue of ₹ 144.91 crore recognised for the period 01.07.2010 to 31.08.2011.

- 2.39 As per CERC Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters Regulations, 2009 as amended from time to time, all transmission elements are constructed as per the requirement of the long term customers (LTA) up to 25 years and transmission charges are recoverable from such long term customers. For medium term open access (MTOA), no additional transmission element is constructed but only the existing surplus transmission capacities are utilised. The charges recovered from the MTOA customers, upon utilisation of the surplus capacity which is very small and temporary in nature, are used to reduce the charges of the LTA customers. The company is revenue neutral.

One of the MTOA customer, signed an agreement for MTOA for a period of 3 years from 16.06.2013 but did not utilise the capacity. The company, however, billed the customer as per the agreement. But the MTOA customer defaulted on its dues of ₹15.64 crore billed during the period from 16.06.2013 to 31.01.2014. Due to non-recovery of dues, the company has cancelled the MTOA w.e.f. 01.02.2014 as per order of the APTEL. The total transmission charges are being recovered from other customers since then. An application, filed by the company is pending before CERC for allowing recovery of the dues of such MTOA customer for the period from 16.06.2013 to 31.01.2014 from other customers during this period. The revenue of the company is not impacted (increase/decrease) due to grant of MTOA or cancellation thereof. Considering that the company is entitled to recover total transmission charges as per CERC sharing regulations, no provision has been made in the accounts for the year ended on 31.03.2015 towards the above dues of the MTOA charges for the period from 16.06.2013 to 31.01.2014

- 2.40 (i) FERV Loss of ₹ 510.52 crore (Previous Year ₹ 2258.13 crore) has been adjusted in the respective carrying amount of Fixed Assets/ Capital work in Progress (CWIP)/lease receivables.
- (ii) FERV Gain of ₹ 12.46 crore (Previous Year FERV Loss ₹ 8.34 crore) has been recognised in the Statement of Profit and Loss.

2.41 Change in accounting policy/accounting practice

- a) During the Year, material for construction of Substations (including HVDC) is being transferred to Capital Work in Progress (CWIP) during the progress of erection work as against earlier practice of transferring the same on the completion of erection work. The change of practice has resulted in increase in CWIP amount by ₹ 234.43 Crore with corresponding reduction in Construction Stores.
- b) The Company has revised depreciation rates on certain fixed assets w.e.f. 01st April, 2014 as per useful life specified in schedule II of the Companies Act, 2013 as reassessed by the company. Accordingly, the company has accounted for additional depreciation charge of ₹22.31 Crore during the year ended 31st March, 2015 and ₹ 0.05 Crores (net of deferred tax) in reserves in terms of the transitional provisions of said schedule II. Thus, by charging depreciation at the revised depreciation rates, the depreciation charge for the year ended 31st March, 2015 is higher by ₹ 22.31 Crore and profit before tax for the year is lower by ₹ 22.31 Crore.
- 2.42 Borrowing cost capitalised during the year is ₹ 2459.60 crore (previous year ₹ 2274.62 crore) as per AS 16- "Borrowing Costs".
- 2.43 Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Crore)

Sr. No	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	0.02	9.25
	Interest	0.06	0.05
2	The amount of Interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.06	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	Nil	Nil

OTHER NOTES (contd...)

2.44 Disclosures as per Accounting Standard AS 15 - "Employee Benefits"

Defined employee benefit/ contribution schemes are as under:-

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS scheme for the year amounting to ₹ 76.48 crore (previous year ₹74.88 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary over all interest earning and cumulative surplus 'is more' than statutory interest payment requirement. Hence, no further provision is considered necessary.

B. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 10 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

C. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 73.11 crore (previous year ₹ 60.08 crore) has been recognised as expense and is charged to statement of profit & loss. In addition to above provision for additional contribution of ₹ 87.28 crore for the period from January 2007 to March 2012 has been made during the year as approved by the management.

D. Post-Retirement Medical Facility (PRMF)

The company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

E. Leave Encashment

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 55 years up to the maximum of 300 days (HPL). However, total amount of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation.

F. Other Defined Retirement Benefits (ODRB)

The Company has a scheme for settlement at the time of superannuation at home town for employees and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

The above schemes (D,E and F) are unfunded.

G. The summarised position of various defined benefits recognized in the Statement of Profit & Loss and Balance Sheet is as under:-

a) Expenses recognised in Statement of profit and loss:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	23.75	21.08	8.23	7.26	19.38	18.06	0.74	0.73
Interest cost on benefit obligation	36.48	31.16	18.64	14.34	25.06	20.91	1.21	1.07
Expected return on plan assets	(33.84)	(32.60)	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the year	0.93	5.67	16.29	23.65	52.53	78.05	(0.38)	(0.44)
Expenses recognized in the Statement of profit and loss	27.32	25.31	43.16	45.25	96.97	117.02	1.57	1.36

b) Actual return on plan assets is ₹ 38.99 crore (previous year ₹ 35.14 crore)



पावरग्रिड

OTHER NOTES (contd...)

c) The amount recognized in the Balance Sheet:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i) Present value of obligation as at the year end	468.86	429.21	256.79	219.33	332.79	313.26	15.14	14.26
(ii) Fair value of plan assets as at the year end	467.08	423.01	-	-	-	-	-	-
Difference (ii) – (i)	(1.78)	(6.20)	(256.79)	(219.33)	(332.79)	(313.26)	(15.14)	(14.26)
Net asset (liability) recognized in the Balance Sheet	(1.78)	(6.20)	(256.79)	(219.33)	(332.79)	(313.26)	(15.14)	(14.26)

d) Changes in the present value of the defined benefit obligations:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at the beginning of the year	429.21	389.51	219.33	179.27	313.26	261.41	14.26	13.42
Interest cost	36.48	31.16	18.64	14.34	25.06	20.91	1.21	1.07
Current Service Cost	23.75	21.08	8.23	7.26	19.38	18.06	0.74	0.73
Benefits paid	(26.66)	(20.76)	(5.70)	(5.19)	(77.44)	(65.17)	(0.69)	(0.52)
Net actuarial (gain)/loss on obligation	6.07	8.22	16.29	23.65	52.53	78.05	(0.38)	(0.44)
Present value of the defined benefit obligation as at the end of the year	468.85	429.21	256.79	219.33	332.79	313.26	15.14	14.26

e) Changes in the fair value of plan assets:

(₹ in Crore)

Description	GRATUITY	
	Current Year	Previous Year
Fair value of plan assets as at beginning of the year	423.01	383.54
Expected return on plan assets	33.84	32.60
Contribution by employer	31.74	25.08
Benefits paid	(26.65)	(20.75)
Actuarial gain/(loss)	5.14	2.54
Fair value of plan assets as at end of the year	467.08	423.01

H. Other Employee Benefits

Provision for Long Service Award amounting to ₹ 1.24 crore (previous year ₹ 0.84 crore) has been made on the basis of actuarial valuation at the year end.

I. Plan Asset (Gratuity)

The details of the plan assets at cost are as follows:-

(₹ in Crore)

Sr. No	Description	(At Purchase Value)	
		As at 31 March 2015	As at 31 March 2014
i)	State Government Securities	96.14	83.71
ii)	Central Government Securities	121.24	106.63
iii)	Corporate Bonds/Debentures	254.32	237.94
iv)	RBI Special Deposit	5.13	5.13
v)	Other Assets	13.97	13.50
	Total:-	490.80	446.91
	Less : Share of POSOCO in the plan Assets	23.72	23.90
	Grand Total	467.08	423.01

OTHER NOTES (contd...)

J. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

- i) Method used - Projected unit credit (PUC) (Previous Year (PUC))
- ii) Discount rate - 8.00 % (previous year 8.50 %)
- iii) Expected rate of return on assets (Gratuity only) – 8.00 % (previous year 8.50%)
- iv) Future salary increase- 6.50 % (previous year 6.50%)

The estimate of future salary increases, considered in actuarial valuation, takes into account (i) inflation, (ii) Seniority (iii) Promotion and (iv) Other relevant factors, such as supply and demand in the employment market. Further the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets, assessed risk of asset management and historical return for plan assets.

K. The Company's best estimate of contribution towards gratuity for the financial year 2015-16 is ₹ 1.51crore (previous year ₹ 4.65 crore)

L. The effect of the percentage point increase/decrease in the medical cost of PRMF will be as under:-

(₹ in Crore)

Description	Increase by		Decrease by	
	Current Year	Previous Year	Current Year	Previous Year
Service and Interest Cost	5.26	12.22	(4.37)	(15.61)
Present value of obligation	60.24	41.54	(24.38)	(26.72)

M. Experience Adjustments

(₹ in Crore)

Description	Current Year	Previous Year
Gratuity		
i) Plan assets – Loss/(Gain)	3.03	2.54
ii) Obligation- Loss/(Gain)	7.72	(8.05)
PRMF		
Obligation – Loss/(Gain)	(10.44)	(23.65)
ODRB		
Obligation – Loss/(Gain)	0.90	1.41
Leave		
Obligation – Loss/(Gain)	(50.97)	(78.05)

2.45 Disclosure as per AS 17-" Segment Reporting"

a) Business Segments

The company's principal business is transmission of bulk power across different States of India. However, telecom and consultancy business are also treated as a reportable segment in accordance with para 28 of AS-17 "Segment Reporting".

b) Segment Revenue and Expense

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

c) Segment Assets and Liabilities

Segment assets include all operating assets comprising of net fixed assets, current assets and loan and advances. Construction work-in-progress, construction stores & advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.



पावरग्रिड

OTHER NOTES (contd...)

Segment Reporting

(₹ in Crore)

Particulars	Transmission		Consultancy		Telecom		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue:										
Revenue from Operations (including allocable other income)	16742.40	14527.72	387.73	632.74	276.56	277.16			17406.69	15437.62
Inter Segment Revenue					24.39	11.05	-24.39	-11.05		
Net Revenue from Operations	16742.40	14527.72	387.73	632.74	300.95	288.21	-24.39	-11.05	17406.69	15437.62
Segment results	9579.20	8768.90	252.82	284.85	63.33	93.73			9895.35	9147.48
Unallocated Interest and Other Income									373.35	283.79
Unallocated Finance Costs									3979.32	3167.52
Profit before Tax									6289.38	6263.75
Provision for Taxes									1310.21	1766.33
Profit after Tax									4979.17	4497.42
Other information:										
Segment Assets	98916.96	80466.87	1099.30	819.35	800.82	853.11			100817.08	82139.33
Unallocated Assets									57483.80	57449.74
Total Assets									158300.88	139589.07
Segment Liabilities:	6786.89	6042.37	1845.83	1473.47	550.09	475.86			9182.81	7991.70
Unallocated Other Liabilities (including loans)									110951.48	97137.74
Total liabilities									120134.29	105129.44
Depreciation and Amortisation	4994.34	3940.43	0.77	0.38	90.30	69.72			5085.41	4010.53
Non-cash expenditure other than Depreciation	24.18	27.08	0.46		19.57				44.21	27.08
Capital Expenditure	29740.87	28559.96	0.26	0.32	53.82	79.75			29794.95	28640.03

d) The operation of the company mainly carried out within the country and therefore there is no reportable geographical segment.

2.46 Disclosure as per AS -20 " Earning Per Share "

The elements considered in calculation of Earning Per Share (Basic and Diluted) is given as under:

Description	Current Year	Previous Year
Net Profit after tax used as numerator (₹in crore)	4979.17	4497.42
Weighted average number of equity shares used a denominator	5231589648	4804513340
Earning per share (Basic & Diluted) (in ₹)	9.52	9.36
Face Value per share (in ₹)	10	10

2.47 Disclosure as per AS 18- "Related Party Disclosure"

a) List of Related Parties:-

i) Key Management Personnel

Sh. R.N. Nayak	Chairman and Managing Director
Sh. I.S. Jha	Director (Projects)
Sh. R.T. Agarwal	Director (Finance)
Sh. Ravi P Singh	Director(Personnel)
Sh. R.P. Sasmal	Director(Operations)
Smt. Divya Tandon	Company Secretary

OTHER NOTES (contd...)

ii) Subsidiaries:- Wholly Owned

- i) Power System Operation Corporation Limited (POSOCO)
- ii) Powergrid NM Transmission Limited
- iii) Powergrid Vemagiri Transmission Limited
- iv) Powergrid Vizag Transmission Limited
- v) Powergrid Unchahar Transmission Limited
- vi) Powergrid Kala Amb Transmission Limited (w.e.f 12 May 2014)
- vii) Vindhyachal Jabalpur Transmission Limited (w.e.f 26 Feb 2015)

iii) Joint Ventures:-

- i) Powerlinks Transmission Limited
- ii) Torrent Power Grid Limited
- iii) Jaypee Powergrid Limited
- iv) Parbati Koldam Transmission Company Limited
- v) Teestavalley Power Transmission Limited
- vi) North East Transmission Company Limited
- vii) National High Power Test Laboratory Private Limited
- viii) Energy Efficiency Services Limited.
- ix) Bihar Grid Company Limited
- x) Kalinga Bidyut Prasaran Nigam Private Limited
- xi) Cross Border Power Transmission Company Limited
- xii) Power Transmission Company Nepal Ltd

b) Transactions with the related parties at 2.47 (a) above during the year are as follows:

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions for services received by the company		17.57		17.97
Power System Operation Corporation Limited	17.57		17.53	
North East Transmission Company Limited	-		0.19	
Bihar Grid Company Limited	-		0.25	
Transactions for services provided by the company		52.60		30.21
Parbati Koldam Transmission Company Limited	-		2.07	
Torrent Power Grid Limited	-		0.03	
Jaypee Powergrid Limited	0.19		0.32	
North East Transmission Company Limited	18.39		13.21	
National High Power Test Laboratory Private Limited	7.93		8.31	
Powerlinks Transmission Limited	-		0.09	
Energy Efficiency Services Limited	0.24		0.05	
Power System Operation Corporation Limited	4.90		-	
Cross Border Power Transmission Company Limited	3.94		6.13	
Bihar Grid Company Limited	16.76		-	
Kalinga Vidyut Prasaran Nigam Private Limited	0.25		-	
Amount recoverable at the end of the year		200.29		119.93
Parbati Koldam Transmission Company Limited	0.01		0.01	
Torrent Power Grid Limited	-		0.07	
North East Transmission Company Limited	22.21		16.09	
National High Power Test Laboratory Private Limited	4.19		0.09	
Energy Efficiency Services Limited	0.25		0.11	
Bihar Grid Company Limited	7.08		2.38	



पावरग्रिड

OTHER NOTES (contd...)

(₹ in Crore)

Description	Current Year		Previous Year	
Kalinga Vidyut Prasaran Nigam Private Limited	0.84		0.65	
Power System Operation Corporation Limited	47.12		38.23	
Powergrid Vemagiri Transmission Limited	19.37		19.35	
Powergrid NM Transmission Limited	23.26		20.75	
Powergrid Vizag Transmission Limited	50.19		16.14	
Powergrid Unchahar Transmission Limited	2.95		2.75	
Cross Border Power Transmission Company Limited	0.30		3.29	
Powerlinks Transmission Limited	0.10		0.01	
Jaypee Powergrid Limited	-		0.01	
Poweergrid Kala Amb Transmission Limited	4.08		-	
Vindhyachal Jabalpur Transmission Limited	18.34		-	
Amount payable at the end of the year		51.84		12.57
Parbati Koldam Transmission Company Limited	0.09		0.09	
Jaypee Powergrid Limited	-		0.13	
North East Transmission Company Limited	-		1.25	
National High Power Test Laboratory Private Limited	-		7.99	
Powerlinks Transmission Limited	2.78		3.11	
Bihar Grid Company Limited	3.28		-	
Cross Border Power Transmission Company Limited	1.70		-	
Power System Operation Corporation Limited	3.61		-	
Teestavalley Power Transmission Limited	40.38		-	
Investment made during the year		113.45		39.70
Equity				
Teestavalley Power Transmission Limited	-		15.60	
Parbati Koldam Transmission Company Limited	14.71		15.25	
Cross Border Power Transmission Company Limited			4.93	
Bihar Grid Company Limited	10.00		-	
National High Power Test Laboratory Private Limited	9.03		3.82	
Powergrid NM Transmission Limited	23.95		-	
Powergrid Vizag Transmission Limited	54.68		0.05	
Powergrid Unchahar Transmission Limited	-		0.05	
Powergrid Kala Amb Transmission Limited	0.05		-	
Vindhyachal Jabalpur Transmission Limited	0.05		-	
Power Transmission Company Nepal Limited	0.98		-	
Loan Given		229.70		-
Powergrid NM Transmission Limited	91.34		-	
Powergrid Vizag Transmission Limited	138.36		-	
Interest on Loan		3.41		-
Powergrid NM Transmission Limited	1.17			
Powergrid Vizag Transmission Limited	2.24			
Dividend Received		95.36		87.09
Powerlinks Transmission Limited	44.14		51.60	
Power System Operation Corporation Limited	15.32		21.45	
Jaypee Powergrid Limited	12.87		9.36	
Torrent Power Grid Limited	1.64		4.68	
North East Transmission Company Limited	21.39		-	
Recovery for Deputation of Employees		0.67		0.40
Energy Efficiency Services Limited	0.02		-	
Bihar Grid Company Limited	0.35		-	
Cross Border Power Transmission Company Limited	0.30		0.33	
Parbati Koldam Transmission Company Limited	-		0.07	

OTHER NOTES (contd...)

- c) As per Central Electricity Regulatory commission (CERC) (Sharing of Interstate Transmission charges and losses) Regulation 2010, the Company being the Central Transmission Utility (CTU) under the regulation is entrusted with the responsibility of the Billing, Collection and Disbursement of Transmission charges on behalf of all Inter State Transmission System (ISTS) licensee. Accordingly, the transactions of the company for collection made in capacity of CTU for the related parties is as under:

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions of the company in capacity of CTU with the related parties		789.29		803.94
Parbati Koldam Transmission Company Limited	21.73		0.24	
Torrent Power Grid Limited	55.70		88.86	
Jaypee Powergrid Limited	190.37		230.24	
North East Transmission Company Limited	261.91		206.42	
Powerlinks Transmission Limited	259.58		278.18	

- d) Remuneration to whole time directors including chairman and managing director and Company Secretary is ₹ 2.90 crore (previous year ₹2.21 crore) and amount of dues outstanding to the company as on 31st March, 2015 are ₹ 0.19 crore (previous year ₹ 0.09 crore).

2.48 Disclosure as per AS 19-"Leases"

a) Finance Leases :-

Long Term Loans and Advances and Short Term Loans and Advances include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC. Disclosure requirements of Accounting Standard (AS) – 19 "Leases" notified under the Companies Act, 2013 are given as under:

- (i) The reconciliation of the lease receivables (as per project cost data submitted to / approved by the CERC for tariff fixation) is as under:

(₹ in Crore)

	Particulars	Current Year	Previous Year
	Gross value of assets acquired and leased at the beginning of the year	1099.56	1063.93
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	21.92	(1.64)
	Revised Gross value of the assets at the beginning of the year	1121.48	1062.29
Less	Capital recovery provided up to the beginning of the year	706.45	642.89
Add	Capital recovery for assets acquired prior to the beginning of the year	6.65	1.88
	Revised Capital recovery provided up to the beginning of the year	713.10	644.77
	Capital recovery outstanding as on 31 st March of last financial year	408.38	417.52
Add	Gross value of assets acquired and leased during current financial year	32.60	37.27
Less	Capital recovery for the current year	69.16	61.67
	Lease receivables at end of the year	371.82	393.12

- (ii) Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year is given as under:

(₹ in Crore)

Particulars	Current Year	Previous Year
Gross investment in Lease	529.24	545.21
Un-earned Finance Income	157.42	152.09
Present value of Minimum Lease Payment (MLP)	371.82	393.12

OTHER NOTES (contd...)

(iii) The unearned finance income as at 31st March, 2015 is ₹ 157.42 crore (previous year ₹ 152.09 crore).

(iv) The value of contractual maturity of such leases as per AS-19 are as under :

(₹ in Crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Not later than one year	101.35	98.31	73.67	66.91
Later than one year and not later than five years	245.46	287.20	173.49	214.76
Later than five years	182.43	159.70	124.66	111.45
Total	529.24	545.21	371.82	393.12

(v) There are differences in balance lease receivable as at year end as per accounts and tariff records on account of :

- Undischarged liabilities amounting to ₹17.33 crore (Previous Year ₹ 79.62 crore). Such cost become part of project cost only on discharge of such liabilities.
- Unamortized FERV on loans included in lease receivable amounting to ₹ 61.14 crore (Previous Year ₹ 62.91 crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis
- Operating leases:-

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹ 31.87 crore (previous year ₹ 33.80 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 10.52 crore (previous year ₹ 11.23 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 2.30 Transmission, Administration and Other expenses.

2.49 Disclosure as per AS-27-" Financial Reporting of Interest in Joint Ventures"

(₹ in Crore)

	Name of Joint Venture Entity	Proportion (%) of ownership as at	
		31 st March, 2015	31 st March, 2014
A	Joint Ventures Incorporated in India		
1	Powerlinks Transmission Limited	49%	49%
2	Torrent Power Grid Limited	26%	26%
3	Jaypee Powergrid Limited	26%	26%
4	Parbati Koldam Transmission Company Ltd	26%	26%
5	Teestavalley Power Transmission Limited	26%	26%
6	North East Transmission Company Limited	26%	26%
7	National High Power Test Laboratory Private Limited	20%	20%
8	Energy Efficiency Services Limited	25%	25%
9	Bihar Grid Company Limited	50%	50%
10	Kalinga Vidyut Prasaran Nigam Private Limited	50%	50%
11	Cross Border Power Transmission Company Limited	26%	26%
B	Joint Ventures Incorporated Outside India		
1	Power Transmission Company Nepal Limited	26%	-

OTHER NOTES (contd...)

Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

The company's share in assets, liabilities, contingent liabilities and capital commitment as on 31st March 2015 and income and expenses for the year in respect of above joint venture entities based on their accounts are given below:-

(₹ in Crore)

		31 st March, 2015	31 st March, 2014
A.	Assets		
	• Non Current Assets		
	• Fixed Assets	1766.63	1626.64
	• Long term loans and advances	85.77	22.98
	• Current Assets	333.96	232.04
	Total	2186.36	1881.66
B.	Liabilities		
	• Non current liabilities	1232.61	1077.78
	• Current Liabilities	236.33	145.56
	Total	1468.94	1223.34
C.	Contingent Liabilities	31.55	20.49
D.	Capital Commitments	579.59	148.40
		Current Year	Previous Year
E.	Income	328.36	282.91
F.	Expenses(Including provision for taxes)	203.21	201.59

The figures pertaining to FY 2014-15 are compiled based on unaudited accounts except for Powerlinks Transmission Limited, National High Power Test Laboratory Private Limited and Cross Border Power Transmission Company Limited which are audited.

2.50 Disclosure as per AS 28-" Impairment of assets"

In accordance with Accounting Standard (AS-28) "Impairment of Assets", the company has assessed as on the Balance Sheet date whether there are any indications with regard to impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present. Accordingly, no impairment loss has been provided in the books of accounts.

2.51 Capital and Other Commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 24189.22 crore (previous year ₹ 30175.65 crore).
- As at 31st March,2015, the company has commitment of ₹ 427.61 crore (previous year ₹ 812.82 crore) towards further investment in joint venture entities.
- As at 31st March,2015, the company has commitment of ₹ 4261.42 crore (previous year ₹ 730.00crore) towards further investment in subsidiary companies.

2.52 Contingent Liabilities

- Claims against the Company not acknowledged as debts in respect of :

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company for ₹ 219.14 crore (previous year ₹ 211.73 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources, if any, for settlement of such claims pending resolution.

OTHER NOTES (contd...)

(ii) Land Compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 2253.11 crore (previous year ₹ 2393.45 crore) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 44.09 crore (previous year ₹ 5.80 crore) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 391.22 crore (previous year ₹ 474.74 crore) are being contested before various Appellate Authorities. Many of these matters are disposed off in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Others

- a) Other contingent liabilities amounts to ₹ 303.56 crore (previous year ₹ 778.54 crore)
- b) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.
2. Special purpose vehicle (SPV) companies (wholly owned subsidiaries) namely Powergrid NM Transmission Company Ltd (erstwhile Nagapattinam Madugiri Transmission Company Ltd.), Powergrid Vemagiri Transmission Company Ltd. (erstwhile Vemagiri Transmission System Limited), Vizag Transmission Limited Unchahar Transmission Limited Kala Amb Transmission Limited and Vindhyachal Jabalpur Transmission Limited has been taken over to carry over the business awarded under Tariff based bidding. Details of Bank guarantees given by the company on behalf of SPV companies towards performance of the work awarded are as under:

(₹ in Crore)

Sr no	Name of SPV	31.03.2015	31.03.2014
1	Powergrid NM Transmission Company Ltd	45.00	45.00
2	Powergrid Vizag Transmission Company Ltd (erstwhile Vizag Transmission Limited)	45.00	45.00
3	Powergrid Unchahar Transmission Company Ltd (erstwhile Unchahar Transmission Limited)	5.40	5.40
4	Powergrid Kala Amb Transmission Limited (erstwhile NRSS XXXI Transmission Limited)	5.96	-
5	Vindhyachal Jabalpur Transmission Limited	31.50	-

2.53. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Borrowings	USD	412.01	392.98	26034.82	23818.26
	EURO	4.33	3.72	297.12	310.83
	SEK	250.27	166.81	1841.97	1564.69
	JPY	218.13	236.30	115.04	139.77
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.	USD	0.94	0.96	59.54	58.05
	EURO	0.02	0.01	1.04	1.00
	SEK	1.16	1.00	8.51	9.37
	JPY	0.55	0.60	0.29	0.35
Trade Payables/deposits and retention money	USD	10.79	93.28	679.18	1113.01
	EURO	7.92	3.53	543.53	270.11
	SEK	114.61	87.24	843.58	817.81
	CHF	0.03	0.04	1.51	2.57
	GBP	0.64	0.00	58.71	0.07
Trade receivables and Bank balances	USD	0.22	-	13.78	-
	NPR	0.07	-	0.04	-
Unexecuted amount of contracts remaining to be executed	USD	23.44	204.05	1480.92	1809.99
	EURO	10.00	8.24	685.64	574.89
	SEK	25.80	142.61	189.89	1337.80
	CHF	0.90	0.00	54.14	0.90
	GBP	18.66	8.25	1709.07	833.99

OTHER NOTES (contd...)

2.54 Disclosure as required by Clause 32 of Listing Agreements:

A. Loans and Advances in nature of Loans:

1. To Subsidiary Companies

(₹ in Crore)

Name of the Company	Outstanding balance as at		Maximum amount outstanding during	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Powergrid NM Transmission Limited	91.34	NIL	91.34	NIL
Powergrid Vizag Transmission Limited	138.36	NIL	138.36	NIL

2. To firms/companies in which directors are interested : NIL

3. Where there is no repayment schedule or repayment beyond seven years or no interest or interest as per Section 186 of The Companies Act 2013 : ₹ 229.70 Crore (Repayment schedule is beyond seven years)

B. Investment by the loanee (as detailed above) in the shares of Power Grid Corporation of India Ltd : NIL

2.55 a) VALUE OF IMPORTS CALCULATED ON CIF BASIS :

(₹ in Crore)

Particulars	Current Year	Previous Year
i) Capital Goods	3718.56	4767.62
ii) Spare Parts	13.28	18.99

b) EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

(₹ in Crore)

Particulars	Current Year	Previous Year
i) Interest	341.71	355.46
ii) Others	82.93	192.15

c) VALUE OF COMPONENTS, STORES AND SPARE PARTS CONSUMED :

(₹ in Crore)

Particulars	%	Current Year	%	Previous Year
i) Imported	9.91%	13.63	7.58%	8.38
ii) Indigenous (Including fuel)	90.09%	123.90	92.42%	102.14

d) EARNINGS IN FOREIGN EXCHANGE

(₹ in Crore)

Particulars	Current Year	Previous Year
i) Interest	0.19	0.01
ii) Consultancy Fee	37.85	22.59
iii) Export of Goods	-	294.07

2.56 a) Figures have been rounded off to nearest rupees in crore up to two decimal.

b) Previous year figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

(Divya Tandon)
Company Secretary

(R.T. Agarwal)
Director (Finance)

(R. N. Nayak)
Chairman & Managing Director

For S.K. Mehta & Co.
Chartered Accountants
Firm Regn No. 000478 N

As per our report of even date

For Chatterjee & Co.
Chartered Accountants
Firm Regn No. 302114 E

For Sagar & Associates
Chartered Accountants
Firm Regn No. 003510 S

(CA Puneet Harjai)
Partner
M.No. 095715

(CA S.K.Chatterjee)
Partner
Membership No. 003124

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi
Date: 30th May, 2015



INDEPENDENT AUDITORS' REPORT

To the Members of Power Grid Corporation of India Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Power Grid Corporation of India Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our **qualified** audit opinion.

Basis for Qualified Opinion

- i) The company has not made any adjustment in respect of revenue of ₹ 144.91 crore recognized for the period 01.07.2010 to 31.08.2011 in respect of Barh-Balia Transmission line, wherein company appeal is pending with Hon'ble Supreme Court against the order of Appellate Tribunal for Electricity (ATE) to re-determine the Date of Commercial Operation (DOCO) refer note 2.38. Pending decision of Hon'ble Supreme Court, and determination of DOCO by CERC and in view of uncertainty involved, in our opinion, provision should have been made for the revenue recognized for the period under dispute. This has resulted in increase of Profit before tax for the year by ₹ 109.70 crore and increase in Current Assets by ₹ 109.70 crore.
- ii) The Company has not made any provision in respect of outstanding dues of ₹ 15.64 crore from one of the medium term open access customers, which is under liquidation, under an order of the Hon'ble High Court at Calcutta, refer note 2.39. Moreover, no favourable order has been received in respect of Company's petition before the Central Electricity Regulatory Commission for allowing the recovery of such dues from other beneficiaries. As the recovery of such dues is doubtful, in our opinion, the provision should have been made in the accounts. This has resulted in increase of Profit before tax for the year by ₹ 11.84 crore and increase in Current Assets by ₹ 11.84 crore.

INDEPENDENT AUDITORS' REPORT (contd...)

iii) Furthermore, as a result of non-provisions mentioned in our qualification Nos. i) and ii) stated above, there are impact on various heads in the financial statements, the aggregate impact of all the above is as under:

Sl.	Particulars	Increase (₹ Crore)	Decrease (₹ Crore)
1	Revenue from operation		37.45
2	Employee Benefit Expenses	1.56	
3	Transmission, administration and other expenses		160.55
4	Profit Before Tax	121.54	
5	Tax Expenses		8.15
6	Profit After Tax	129.69	
7	Reserves & Surplus and Shareholders' Fund	129.69	
8	Short-term Provisions		5.75
9	Capital work in progress	0.84	
10	Trade Receivable	160.55	
11	Other Current Assets		37.45

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2015;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 2.25(b) to the financial statements, in respect of provisional recognition of revenue from transmission charges.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure '2' a statement on the directions issued under the aforesaid section by the Comptroller and Auditor General of India.
- As required by Section 143 (3) of the Act, we report that:
 - We have sought and, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Company.



पावरग्रिड

- f. On the basis of written representations received from the directors as on 31st March, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.38, 2.39 and 2.52 to the financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S.K.MEHTA & CO.

Chartered Accountants
Firm Registration No.000478N

For CHATTERJEE & CO.

Chartered Accountants
Firm Registration No. 302114E

For SAGAR & ASSOCIATES

Chartered Accountants
Firm Registration No. 003510S

(CA Puneet Harjai)

Partner
Membership No.095715

(CA S.K.Chatterjee)

Partner
Membership No.003124

(CA D. Manohar)

Partner
Membership No.029644

Place of Signature: New Delhi

Date: 30th May, 2015

Annexure to the Independent Auditors' Report

Annexure '1' referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited**, on the standalone financial statements for the year ended 31st March, 2015, we report that:

- (i) a) The Company has generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
- b) The fixed assets have been physically verified by external agencies during the year and discrepancies, though not material, noticed on such verification have been reconciled/ adjusted in the books of account. In our opinion, frequency of verification is reasonable having regard to the size of the Company and nature of its assets.
- (ii) a) Physical verification of inventories has generally been conducted on periodic intervals. In our opinion system and frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories, followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company has maintained proper records of its inventory. The discrepancies noticed on physical verification of the inventories, though not material, have been properly dealt with in the books of account.
- (iii) During the year the Company has granted unsecured loans amounting to ₹ 229.70 crore to two wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Outstanding balance as on 31st March 2015 is ₹ 229.70 crore.
 - a) Principal amount and interest are not yet due as per the terms of the loans.
 - b) Since receipt of principal amount and interest are not due, question of overdue amount of more than rupee one lakh does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and income from sales of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in the underlying internal control systems. However process of contract closing work needs to be expedited.
- (v) Since the Company has not accepted any deposit from public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or other relevant provisions of the Companies Act, 2013, and rules framed there under, does not arise.
- (vi) We have broadly reviewed the cost records maintained by the company specified by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, in respect of Transmission & Telecom Operations of the Company and we are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable. As informed, provisions of the Employees State Insurance Act are not applicable to the Company.
- b) According to information and explanations given to us, there are no disputed dues of Wealth Tax or Duty of Customs or Duty of Excise which have not been deposited. However, following disputed demands of Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess dues have not been deposited:

Name of the Statute	Nature of dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	15.49	2004-05, 2005-06, 2007-08, 2008-09, 2009-10, 2010-11	ITAT, Delhi
Income Tax Act, 1961	Income Tax	0.08	2005-06, 2007-08	DCIT, Delhi
Income Tax Act, 1961	Income Tax	9.49	2008-09, 2009-10, 2011-12	CIT (A) Delhi
Finance Act, 1994	Service Tax	1.57	2003-04	CESTAT, Kolkata
Finance Act, 1994	Service Tax	1.89	2007-08, 2008-09	Commissioner (Central Excise), Bhubaneswar
J&K GST Act, 1962	Sales Tax	50.71	1995-96 to 2001-02	Sales Tax Appellate Tribunal, J&K
J&K GST Act, 1962	Sales Tax	57.75	2002-03 to 2009-10	Dy. Commissioner of Sales Tax (appeals) Jammu, J&K
Punjab Vat Act, 2005	Entry Tax	9.64	2011-12 to 2013-14	Hon'ble High Court Punjab & Haryana
MP Entry Tax Act, 1976	Entry Tax	20.67	2011-12, 2014-15	Hon'ble High Court M.P., Jabalpur
Building and Other Construction Workers Welfare Cess Act, 1996	Cess	3.46	2007-08	Hon'ble High Court, Himachal Pradesh, Shimla
Total		170.75		

* Demand amount including interest, net of amount paid under protest.



पावरग्रिड

- c) According to the information and explanations given to us, the amount which was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The Company does not have accumulated losses at the end of financial year and has not incurred any cash loss in the financial year under audit, and also in the immediately preceding financial year.
- (ix) On the basis of audit procedures adopted by us and according to the records, the Company has not defaulted in repayment of dues to any financial institution or bank or bondholders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion on an overall basis and according to the information and explanations given to us, the company has applied the term loans for the purpose they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For S.K.MEHTA & CO.

Chartered Accountants
Firm Registration No.000478N

For CHATTERJEE & CO.

Chartered Accountants
Firm Registration No. 302114E

For SAGAR & ASSOCIATES

Chartered Accountants
Firm Registration No. 003510S

(CA Puneet Harjai)

Partner
Membership No.095715

(CA S.K.Chatterjee)

Partner
Membership No.003124

(CA D. Manohar)

Partner
Membership No.029644

Place of Signature: New Delhi

Date: 30th May, 2015

Annexure '2' referred to in our Independent Auditors' Report to the members of **Power Grid Corporation of India Limited**, on the standalone financial statements for the year ended 31st March, 2015.

On the directions issued by the Comptroller and Auditor General of India under sub section (5) of Section 143 of the Companies Act, 2013, based on the verification of records of the Company and information and explanations given to us, we report that:

- The Company has not been selected for disinvestment during the year.
- There is no case of waiver/write off of loans/ interest, however non recoverable advances of ₹ 0.56 crore and bad debts ₹ 14.06 crore, against which provisions were made in earlier years have been written off during the year, on account of normal business practice.
- The Company has maintained adequate records in respect of inventories lying with third parties. No assets have been received by the Company as gift from Government or other authorities.
- Age wise analysis of pending legal/arbitration cases as provided by the management, are as under:

Sl. No	Category	Number of Cases prior to year 2000	Number of Cases between 2000-2005	Number of Cases between 2005-2010	Number of Cases between 2010-2015	Total Number of Cases	Total Amount (₹ in Crore)
1	Land acquisition	12	6	26	133	177	1983.10
2	Tree & crop Compensation	56	126	1036	1494	2712	1311.70
3	Arbitration	6	7	16	22	51	267.00
4	Contractual	0	0	2	0	2	132.00
5	Tax related	1	2	2	3	8	296.60
6	Civil Misc	10	10	21	216	257	86.00
	Total	85	151	1103	1868	3207	4076.40

As per information and explanations given, in view of the size and nature of its business, the company is having large number of legal / arbitration cases including Tree & Crop compensation and Land Acquisition cases.

Pendency is mainly due to legal process of the Courts/Arbitrators.

In our opinion the Company has in place an adequate monitoring mechanism for expenditure on such legal cases.

For S.K.MEHTA & CO.

Chartered Accountants
Firm Registration No.000478N

For CHATTERJEE & CO.

Chartered Accountants
Firm Registration No. 302114E

For SAGAR & ASSOCIATES

Chartered Accountants
Firm Registration No. 003510S

(CA Puneet Harjai)

Partner
Membership No.095715

(CA S.K.Chatterjee)

Partner
Membership No.003124

(CA D. Manohar)

Partner
Membership No.029644

Place of Signature: New Delhi

Date: 30th May, 2015



पावरग्रिड

Consolidated Balance Sheet as at 31st March, 2015

			(₹ in Crore)	
Particulars	Note No.		As at 31 st March, 2015	As at 31 st March, 2014
I. EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	2.1	5231.59		5231.59
(b) Reserves and surplus	2.2	33207.14		29466.35
			38438.73	34697.94
Deferred revenue	2.3		4812.59	4567.05
Non-current liabilities				
(a) Long-term borrowings	2.4	90492.47		77772.13
(b) Deferred tax liabilities (Net)	2.5	2490.45		2452.45
(c) Other long term liabilities	2.6	1129.39		1358.48
(d) Long-term provisions	2.7	610.50		554.97
			94722.81	82138.03
Current liabilities				
(a) Short-term borrowings	2.8	1206.49		2700.00
(b) Trade payables	2.9	430.19		349.01
(c) Other current liabilities	2.10	19997.36		16037.16
(d) Short-term provisions	2.11	1156.11		990.44
			22790.15	20076.61
Total			160764.28	141479.63
II. ASSETS				
Non-current assets				
(a) Fixed assets				
(i) Tangible assets	2.12	90385.78		73584.00
(ii) Intangible assets	2.13	805.28		667.67
(iii) Capital work in progress	2.14	40262.76		32016.80
(iv) Intangible assets under development	2.15	213.28		374.34
			131667.10	106642.81
(b) Construction stores	2.16		13205.24	17677.93
(c) Non-current investments	2.17	19.49		206.27
(d) Deferred foreign currency fluctuation asset		2841.54		2490.57
(e) Long-term loans and advances	2.18	4147.13		4729.49
			7008.16	7426.33
Current assets				
(a) Current investments	2.19	200.10		217.17
(b) Inventories	2.20	718.84		713.44
(c) Trade receivables	2.21	2206.96		1618.29
(d) Cash and Bank balances	2.22	2988.55		4974.37
(e) Short-term loans and advances	2.23	424.52		422.38
(f) Other current assets	2.24	2344.81		1786.91
			8883.78	9732.56
Total			160764.28	141479.63
Accounting Policies	1			
Notes on Accounts	2			
Notes referred above are integral part of the Balance Sheet				

Notes referred above are integral part of the Balance Sheet

(Divya Tandon)
Company secretary

For S.K. Mehta & Co.
Chartered Accountants
Firm Regn No. 000478 N

(CA Puneet Harjai)
Partner
Membership No. 095715

For and on behalf of the Board of Directors
(R.T. Agarwal)
Director (Finance)
(R. N. Nayak)
Chairman & Managing Director

As per our report of even date
For Chatterjee & Co.
Chartered Accountants
Firm Regn No. 302114 E

(CA S.K.Chatterjee)
Partner
Membership No. 003124

For Sagar & Associates
Chartered Accountants
Firm Regn No. 003510 S

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi
Date: 30th May, 2015

Consolidated Statement of Profit and Loss for the year ended 31st March, 2015

(₹ in Crore)

Particulars	Note No.	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
I. Revenue from operations	2.25	17658.51	15675.43
II. Other income	2.26	574.53	470.69
III. Total Revenue (I + II)		18233.04	16146.12
IV. Expenses:			
Purchases of stock-in-trade			219.40
Employee benefits expense	2.27	1124.41	1033.61
Finance costs	2.28	4081.23	3253.66
Depreciation and amortization expense	2.29	5173.33	4079.38
Transmission, administration and other Expenses	2.30	1407.90	1158.54
Prior period items (net)	2.31	47.19	42.53
Total expenses		11834.06	9787.12
V. Profit before extraordinary items and tax (III - IV)		6398.98	6359.00
VI. Extraordinary items-(Income)/Expenses	2.37	(5.13)	-
VII. Profit before tax (V-VI)		6404.11	6359.00
VIII. Tax expense:			
(1) Current tax - Current Year	1345.90		1337.98
- Earlier years	(0.82)		(0.18)
		1345.08	1337.80
(2) Credit for MAT entitelment		(24.21)	(11.69)
(2) Deferred tax	839.01		485.31
Less: Deferred Asset for deferred tax liability	802.02		-
		36.99	485.31
		1357.86	1811.42
IX. Profit for the year (VII-VIII)		5046.25	4547.58
X. Earnings per equity share (Par value ₹ 10/- each):	2.48		
Basic & Diluted before extraordinary Item (₹)		9.64	9.47
Basic & Diluted after extraordinary Item (₹)		9.65	9.47
Accounting Policies	1		
Notes on Accounts	2		
Notes referred above are integral part of the Statement of Profit and Loss			

(Divya Tandon)
Company secretary

For S.K. Mehta & Co.
Chartered Accountants
Firm Regn No. 000478 N

(CA Puneet Harjai)
Partner
Membership No. 095715

Place: New Delhi
Date: 30th May, 2015

For and on behalf of the Board of Directors
(R.T. Agarwal)
Director (Finance)
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Firm Regn No. 003510 S

(CA D. Manohar)
Partner
Membership No. 029644



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Consolidated Cash Flow Statement for the Year ended 31st March, 2015

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	6404.11	6359.00
Adjustment for :		
Depreciation (including prior period)	5173.33	4094.23
Transfer from Grants in Aid	(21.86)	(22.05)
Deferred revenue - Advance against Depreciation	(79.50)	(76.89)
Provisions	43.95	22.43
Change in previous year profit of JVs and Subsidiaries after Audit	(20.98)	28.42
Transfer from Self Insurance Reserve	(20.21)	(5.83)
Net Loss/(Profit) on Disposal / Write off of Fixed Assets	(1.32)	5.66
Interest and Finance Charges	4081.23	3253.66
Provisions Written Back	(5.52)	(6.50)
Interest earned on Deposits, Bonds and loans to State Govts.	(316.46)	(235.41)
Dividend received	(2.41)	(1.92)
	8830.25	7055.80
Operating profit before Working Capital Changes	15234.36	13414.80
Adjustment for :		
(Increase)/Decrease in Inventories	(25.29)	(160.61)
(Increase)/Decrease in Trade Receivables	(608.75)	(127.53)
(Increase)/Decrease in Loans and Advances	(30.82)	(42.48)
(Increase)/Decrease in Other current assets	(626.38)	145.31
Increase/(Decrease) in Liabilities & Provisions	2855.18	2958.64
(Increase)/Decrease in Deferred Foreign Currency Fluctuation Asset/ Liability(Net)	153.68	264.54
	1717.62	3037.87
Cash generated from operations	16951.98	16452.67
Direct taxes paid (Net of Refunds)	(1151.90)	(1230.15)
Net Cash from operating activities	15800.08	15222.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets (including incidental expenditure during construction)	(1205.78)	(1020.35)
Capital work in progress	(28653.99)	(25630.41)
Construction Stores & Advances for Capital Expenditure	4881.71	(402.26)
(Increase)/Decrease in Investments	203.85	162.88
(Increase)/Decrease in Long Term Loans under Securitisation Scheme	23.14	15.42
Lease receivables	97.93	(24.85)
Interest earned on Deposits, Bonds and loans to State Govts.	386.03	192.89
Dividend from JV Companies (Adj. through Surplus Account)	80.04	65.64
Dividend received	2.41	1.92
Net cash used in investing activities	(24184.66)	(26639.12)

Cash Flow Statement for the Year ended 31st March, 2015 (contd...)

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Shares	-	601.86
Premium on issue of shares (net of share issue expenses)	-	4694.74
Loans raised during the year	17968.04	18091.85
Loans repaid during the year	(6461.05)	(5367.49)
Interest and Finance Charges Paid	(3781.61)	(2837.39)
Dividend paid	(1123.64)	(1257.84)
Dividend Tax paid	(202.98)	(213.65)
Net Cash from Financing Activities	6398.76	13712.08
D. Net change in Cash and Cash equivalents(A+B+C)	(1985.82)	2295.48
E. Cash and Cash equivalents(Opening balance)	4974.37	2678.89
F. Cash and Cash equivalents(Closing balance)	2988.55	4974.37

Notes:

Cash and cash equivalents consists of Cash in hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise of following balance sheet amounts as per Note 2.22.

Cash and cash equivalents	2530.20	1794.91
Other Bank balances (*)	458.35	3179.46
	2988.55	4974.37

(*) Break up of Other Bank balances

1. Balance in current accounts (unclaimed dividend)	10.39	11.23
2. In Current accounts / Flexi Deposits (Operated and maintained in terms of CERC regulations)	319.43	153.77
3. In term deposits having maturity over 3 months (FPO proceeds)	-	2,975.00
4. In term deposits having maturity over 3 months	128.53	39.46
	458.35	3179.46

Previous year figures have been re-grouped / re-arranged wherever necessary.

For and on behalf of the Board of Directors

(Divya Tandon)
Company Secretary

(R.T. Agarwal)
Director (Finance)

(R. N. Nayak)
Chairman & Managing Director

As per our report of even date

For S.K. Mehta & Co.
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For Chatterjee & Co.
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(CA Puneet Harjai)
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(CA S.K.Chatterjee)
Partner
Membership No. 003124

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi
Date: 30th May, 2015



CONSOLIDATED ACCOUNTING POLICIES FOR THE FINANCIAL YEAR 2014-15

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared on accrual basis of accounting under the historical cost convention, in accordance with generally accepted accounting principles in India, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 (to the extent applicable) including Accounting Standards notified there under and the provisions of the Electricity Act, 2003 to the extent applicable.

1.2 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

1.3 RESERVES AND SURPLUS

Self insurance reserve is created @ 0.1% p.a. on Gross Block of Fixed Assets (except assets covered under mega insurance policy) as at the end of the year by appropriating current year profit towards future losses which may arise from un-insured risks. The same is shown as "Self insurance reserve" under 'Reserves & Surplus'.

1.4 GRANTS-IN-AID

- 1.4.1 Grants-in-aid received from Central Government or other authorities towards capital expenditure for projects, betterment of transmission systems and specific depreciable assets are shown as "grants-in-aid" till the utilization of grant.
- 1.4.2 On capitalization of related assets, grants received for specific depreciable assets are treated as deferred income and recognized in the Statement of Profit and Loss over the useful life of related asset and in proportion to which depreciation on these assets is provided.

1.5 FIXED ASSETS

- 1.5.1 Fixed assets are shown at historical cost comprising of purchase price and any attributable cost of bringing the assets to its working condition for its intended use less accumulated depreciation/amortization.
- 1.5.2 In the case of commissioned assets, deposit works/cost-plus contracts where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 1.5.3 Assets and systems common to more than one transmission system are capitalized on the basis of technical estimates/ assessments
- 1.5.4 Transmission system assets are considered when they are 'Ready for intended use', for the purpose of capitalization, after test charging/successful commissioning of the systems/assets and on completion of stabilization period wherever technically required.
- 1.5.5 The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken,
- 1.5.6 Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.
- 1.5.7 Insurance spares, which can be used only in connection with an item of fixed asset and whose use is expected to be at irregular intervals and Mandatory spares in the nature of sub-station equipments /capital spares i.e. stand-by/service/rotational equipment and unit assemblies, are capitalized and depreciated over the residual useful life of the related plant & machinery. In case the year of purchase and consumption is same, amount of such spares are charged to revenue.

1.6 CAPITAL WORK-IN-PROGRESS (CWIP)

- 1.6.1 Cost of material consumed erection charges thereon along with other related expenses incurred for the projects are shown as CWIP till the date of capitalization.
- 1.6.2 Cost of material for construction of Substation (including HVDC) is being transferred to Capital Work in Progress during the progress of erection work.
- 1.6.3 Expenditure of Corporate office, Regional Offices and Projects, attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related assets.
- 1.6.4 Interest during construction and expenditure (net) allocated to construction as per policy No. 1.6.3 above (allocated to the projects on prorate basis to their capital expenditure), are apportioned to capital work in progress (CWIP) on the closing balance of specific asset or part of asset being capitalized. Balance, if any, left after such capitalization is kept as a separate item under the CWIP Schedule .
- 1.6.5 Deposit works/cost-plus contracts are accounted for on the basis of statement received from the contractors or technical assessment of work completed.
- 1.6.6 Unsettled liability for price variation/ exchange rate variation in case of contracts are accounted for on estimated basis as per terms of the contracts.

1.7 INTANGIBLE ASSETS

- 1.7.1 The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognized as an intangible assets in the books of accounts when the same is ready for its use.
- 1.7.2 Afforestation charges paid for acquiring right-of-way for laying transmission lines are accounted for as intangible assets and same are amortized over the period of thirty five years following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) Tariff Regulation.
- 1.7.3 Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" where such assets are not yet ready for their intended use.
- 1.7.4 Expenditure incurred on the development of new technology is kept under "Intangible assets under development" till its completion. After satisfactory completion of development stage, the expenditure kept under as "Intangible Assets" to be included in the project cost of new assets.

1.8 CONSTRUCTION STORES

Construction stores are valued at cost.

1.9 BORROWING COST

- 1.9.1 All the borrowed funds (except short term funds for working capital) are earmarked to specific projects. The borrowing costs (including bond issue expenses, interest, discount on bonds, front end fee, guarantee fee, management fee etc.) are allocated to the projects in proportion to the funds so earmarked.
- 1.9.2 The borrowing costs so allocated are capitalised or charged to revenue, based on whether the project is under construction or in operation.

1.10 TRANSACTION IN FOREIGN CURRENCY

- 1.10.1 Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of transaction.
- 1.10.2 Foreign Exchange Rate Variation (FERV) arising on settlement / translation of foreign currency loans relating to fixed assets/ capital work-in-progress are adjusted to the carrying cost of related assets.
- 1.10.3 FERV accounted for as per policy no 1.10.2 is recoverable/payable from the beneficiaries on actual payment basis as per Central Electricity Regulatory Commission (CERC) norms w.e..f. 1st April, 2004 or Date of Commercial Operation (DOCO) which ever is later.
- The above FERV to the extent recoverable or payable as per the CERC norms is accounted for as follows:
- FERV recoverable/payable adjusted to carrying cost of fixed assets is accounted for as 'Deferred foreign currency fluctuation asset/liability a/c' with a corresponding credit/debit to 'Deferred income/expenditure from foreign currency fluctuation a/c'
 - 'Deferred income/expenditure from foreign currency fluctuation a/c' is amortized in the proportion in which depreciation is charged on such FERV.
 - The amount recoverable/payable as per CERC norms on year to year basis is adjusted to the 'Deferred foreign currency fluctuation asset/liability a/c' with corresponding debit / credit to the trade receivables.
- 1.10.4 FERV earlier charged to Statement of Profit and Loss & included in the capital cost for the purpose of tariff is adjusted against 'Deferred foreign currency fluctuation asset/liability a/c' in the following manner:
- Depreciation component of transmission charges (being 90% of such FERV) is adjusted against Deferred foreign currency fluctuation asset/liability a/c in the transmission charges.
 - Balance 10% is adjusted against Deferred foreign currency fluctuation asset/liability a/c in the transmission charges over the tenure of respective loans.
- 1.10.5 FERV arising out of settlement/translation of long term monetary items (other than foreign currency loans) relating to fixed assets/ CWIP are adjusted in the carrying cost of related assets.
- 1.10.6 FERV arising during the construction period from settlement/translation of monetary items denominated in foreign currency (other than long term) to the extent recoverable/payable to the beneficiaries as capital cost as per CERC tariff Regulation are accounted as 'Deferred foreign currency fluctuation asset/liability a/c'. Transmission charges recognised on such amount is adjusted against above account.
- 1.10.7 Other exchange differences are recognized as income or expenses in the period in which they arise.

1.11 INVESTMENTS

- 1.11.1 Current investments are valued at lower of cost and fair value determined on an individual investment basis.
- 1.11.2 Long term investments are carried at cost. Provision is made for diminution other than temporary, in the value of such investments.



1.12 INVENTORIES

- 1.12.1. Inventories are valued at lower of the cost, determined on weighted average basis and net realizable value.
- 1.12.2 Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.
- 1.12.3 Mandatory spares of consumable nature and transmission line items are treated as inventory after commissioning of the system.
- 1.12.4 Surplus materials as determined by the management are held for intended use and are included in the inventory.
- 1.12.5 The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

1.13 REVENUE RECOGNITION

- 1.13.1 Transmission Income is accounted for based on tariff orders notified by the CERC. In case of transmission projects where final tariff orders are yet to be notified, transmission income is accounted for as per tariff norms and other amendments notified by the CERC in similar cases. Difference, if any, is adjusted based on issuance of final notification of tariff orders by the CERC. Transmission Income in respect of additional capital expenditure incurred after the date of commercial operation is accounted for based on actual expenditure incurred on year to year basis as per tariff norms of the CERC.
- 1.13.2 The Transmission system Incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the norms notified / approved by the CERC.
- 1.13.3.1 Advance against depreciation (AAD), forming part of tariff pertaining upto the block period 2004-09, to facilitate repayment of loans, is reduced from transmission income and considered as deferred income to be included in transmission income in subsequent years.
- 1.13.3.2 The outstanding deferred income in respect of AAD is recognized as transmission income, after twelve years from the end of the financial year in which the asset was commissioned, to the extent depreciation recovered in the tariff during the year is lower than depreciation charged in the accounts.
- 1.13.4 Surcharge recoverable from trade receivables and liquidated damages / warranty claims / interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.
- 1.13.5 Income from Telecom Services are accounted for on the basis of terms of agreements/ purchase orders from the customers.
- 1.13.6 Income from sole consultancy contracts are accounted for on technical assessment of progress of services rendered.
- 1.13.7 In respect of 'Cost-plus-consultancy contracts', involving execution on behalf of the client, income is accounted for (wherever initial advances received) in phased manner as under:
 - a) 10% on the issue of Notice Inviting Tender for execution
 - b) 5% on the Award of Contracts for execution
 - c) Balance 85% on the basis of actual progress of work including supplies
- 1.13.8 Income from Sale of Goods is recognized on the transfer of significant risks and reward of ownership to the buyer.
- 1.13.9 Application Fees received on account of Long Term Open Access (LTOA) Charges is accounted for as and when received in accordance with CERC Guidelines.
- 1.13.10 Scrap other than steel scrap & conductor scrap are accounted for as and when sold.
- 1.13.11 Dividend income is recognized when right to receive payment is established.

1.14 LEASED ASSETS

- 1.14.1 State sector unified load dispatch centre (ULDC)/ Fiber Optic Communication Assets (FOC) assets leased to the beneficiaries are considered as Finance Lease. Net investment in such leased assets along with accretion in subsequent years is accounted for as Lease Receivables under Long Term Loans & Advances. Wherever grant-in-aid is received for construction of State Sector ULDC, lease receivable is accounted for net of such grant.
- 1.14.2 Finance income on leased assets are recognised based on a pattern reflecting a constant periodic rate of return on the net investment as per the tariff notified/to be notified by the CERC.
- 1.14.3 FERV on foreign currency loans relating to leased assets is adjusted to the amount of lease receivables and is amortised over the remaining tenure of lease. FERV recovery (as per CERC norms) from the constituents is recognised net of such amortised amount.

1.15 DEPRECIATION / AMORTIZATION

- 1.15.1 Depreciation / amortization on the assets related to transmission business and communication system of ULDC commissioned on or after 1st April 2014 are provided on straight line method following the rates and methodology notified by the CERC for the purpose of recovery of tariff.
- 1.15.2 ULDC assets commissioned prior to 1st April 2014 are depreciated on Straight Line Method @ 6.67% per annum.
- 1.15.3 Depreciation on assets of telecom and consultancy business is provided for on straight line method as per useful life specified in Schedule II of the Companies Act, 2013.

1.15.4 Depreciation on following assets is provided based on estimated useful life as evaluated by the management.

- | | |
|----------------------------|---------|
| a. Computers & Peripherals | 3 years |
| b. Mobile Phones | 3 years |
| c. Software | 3 years |

Residual value in respect of Computers & Peripherals of Transmission and ULDC Segment is considered as specified in CERC tariff regulation and for other Segments, as specified in Schedule II of the Companies Act, 2013. Residual value in respect of Mobile Phones & Software is considered as "Nil".

1.15.5 Depreciation/ Amortization on additions to/deductions from fixed assets during the year is charged on pro-rata basis.

1.15.6 Where the cost of depreciable fixed asset has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively at the rates and methodology as specified by the CERC Tariff Regulations, except for telecom assets where residual life is determined on the basis of useful life of fixed asset as specified in Schedule II of the Companies Act, 2013.

1.15.7 Plant and machinery, loose tools and items of scientific appliances, included under different heads of fixed assets, costing ₹5,000/- or less, or where the written down value is ₹ 5,000/- or less as at the beginning of the year, are charged off to revenue.

1.15.8 Other fixed assets costing upto ₹5,000/- are fully depreciated in the year of acquisition.

1.15.9 Leasehold Land is fully amortized over 25 years or lease period whichever is lower in accordance with the rates and methodology specified in the Central Electricity Regulatory Commission (CERC) Tariff Regulation . Lease hold Land acquired on perpetual lease is not amortised.

1.15.10 In the case of fixed assets of National thermal power corporation limited (NTPC) , National hydro-electric power corporation limited (NHPC), North-eastern electric power corporation limited (NEEPCO), Neyveli lignite corporation limited (NLC) transferred w.e.f. April 1, 1992, Jammu and Kashmir Lines w.e.f. April 1, 1993, and Tehri hydro development corporation limited (THDC) w.e.f. August 1, 1993, depreciation is charged based on gross block as indicated in transferor's books with necessary adjustments so that the life of the assets as laid down in the CERC notification for tariff is maintained.

1.16 EXPENDITURE

1.16.1 Pre-paid/prior-period expenses/Income of items up to ₹100,000/- are charged to natural heads of account.

1.16.2 Expenditure of research and development, other than Capital Expenditure , are charged to revenue in the year of incurrence.

1.16.3 Capital expenditure on assets not owned by the company is charged off to revenue as and when incurred

1.17 IMPAIRMENT OF ASSETS

Cash generating units as defined in Accounting Standard -28 on 'Impairment of Assets' are identified at the balance sheet date with respect to carrying amount vis-à-vis. recoverable amount thereof and impairment loss, if any, is recognised in Statement of profit & loss. Impairment loss, if need to be reversed subsequently, is accounted for in the year of reversal.

1.18 EMPLOYEE BENEFITS

1.18.1 Company contribution paid/payable during the year to defined pension contribution scheme and provident fund scheme is recognized in the Statement of Profit and Loss. The same is paid to a fund and administered through a separate trusts.

1.18.2 The liability for retirement benefits of employees in respect of Gratuity, is ascertained annually on actuarial valuation at the year end, is provided and funded separately.

1.18.3 The liabilities for compensated absences, leave encashment, post retirement medical benefits, settlement allowance & long service awards to employees are ascertained annually on actuarial valuation at the year end and provided for.

1.18.4 Short term employee benefits are recognized at the undiscounted amount in the Statement of Profit and Loss in the year in which the related services are rendered.

1.18.5 Actuarial gains/losses are recognized immediately in the Statement of Profit & Loss.

1.19 PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made based on technical valuation and past experience. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date and are not discounted to its present value. No provision is recognized for liabilities whose future outcome cannot be ascertained with reasonable certainties. Such contingent liabilities are not recognized but are disclosed on the basis of judgment of the management / independent expert. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

1.20 TAXES ON INCOME

Income Tax comprises of current and deferred tax. Current income taxes are measured at the amount expected to be paid to the provisions of income tax authorities in accordance with Income Tax Act, 1961. Deferred tax resulting from timing difference between accounting and taxable profit is accounted for using the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.



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Note 2.1/Share capital

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Equity Share Capital		
Authorised		
10000000000 (Previous year 10000000000) equity shares of ₹ 10/- each	10000.00	10000.00
Issued, subscribed and paid up		
5,23,15,89,648 (Previous Year 5,23,15,89,648) equity shares of ₹ 10/- each fully paid up	5231.59	5231.59
Total	5231.59	5231.59

Further Notes:

1) Reconciliation of Number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	For the year ended 31 st March, 2015		For the year ended 31 st March, 2014	
	No. of Shares	Amount (₹ in crore)	No. of Shares	Amount (₹ in crore)
Shares outstanding at the beginning of the year	5231589648	5231.59	4629725353	4629.73
Shares Issued during the year	-	-	601864295	601.86
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	5231589648	5231.59	5231589648	5231.59

2) The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at meetings of the Shareholders.

3) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
	No. of Shares	% of holding	No. of Shares	% of holding
i) Government of India	3,028,835,198	57.90	3,028,835,198	57.90
ii) Europacific Growth Fund	296,023,422	5.66	296,023,422	5.66

Note 2.2/Reserves and surplus

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Securities Premium Reserve		
As per last balance sheet	9578.29	4875.15
Additions during the year	-	4703.14
Deductions during the year	-	-
Closing Balance	9578.29	9578.29
Bonds Redemption Reserve		
As per last balance sheet	4886.61	4005.29
Additions during the year	1600.44	1365.25
Deductions during the year	616.58	483.93
Closing Balance	5870.47	4886.61
Self Insurance Reserve		
Through appropriation		
As per last balance sheet	268.68	304.50
Additions during the year	81.30	61.40
Deductions during the year	(0.33)	97.22
Closing Balance	350.31	268.68
Through charge to Profit		
As per last balance sheet	63.87	68.96
Additions during the year	-	0.74
Deductions during the year	20.20	5.83
Closing Balance	43.67	63.87
	393.98	332.55

Note 2.2/Reserves and surplus (Contd.)

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
Corporate Social Responsibility(CSR) Activity Reserve			
As per last balance sheet	46.74		26.52
Additions during the year	82.78		20.68
Deductions/Adjustments during the year	-		0.46
Closing Balance		129.52	46.74
General Reserve			
As per last balance sheet	14461.13		12362.36
Additions during the year	2406.78		2068.42
Deductions during the year	16.01		(30.35)
Closing Balance		16851.90	14461.13
Load Despatch & Communication (LDC) Development Fund			
As per Last Balance Sheet	130.13		108.38
Additions during the year	34.20		27.85
Deductions during the year	5.37		6.10
Closing Balance		158.96	130.13
REC Fund			
As per Last Balance Sheet	8.46		-
Additions during the year	2.18		4.29
Deductions during the year	-		(4.17)
Closing Balance		10.64	8.46
Capital Reserve			
As per Last Balance Sheet	1.62		1.73
Additions during the year	-		-
Deductions during the year	0.10		0.11
Closing Balance	-	1.52	1.62
Short Term Open Access (STOA) Reserve			
As per Last Balance Sheet	-		-
Additions during the year	-		134.42
Deductions during the year [being utilisation of STOA income (Net of Taxes) (Note No.2.25) in accordance with the CERC (Open Access inter-state transmission) Regulations, 2008 as amended up to date]	-		134.42
Closing Balance	-	-	-
		32995.28	29445.53
Surplus (Balance in statement of Profit and Loss)			
As per last balance sheet	20.82		20.49
Add: Additions			
Profit after tax as per Statement of Profit & Loss	5046.25		4547.58
Transfer from Bond Redemption Reserve	616.58		483.93
Transfer from STOA Reserve	-		134.42
Transfer from Self Insurance Reserve	-		-
Dividend Adjustment	80.04		65.64
Dividend tax adjusted	1.93		0.04
Less: Appropriations			
STOA Reserve	-		134.42
Bonds Redemption Reserve	1600.44		1365.25
CSR Activities Reserve	82.78		20.68
LDC Development Reserve	34.20		27.85
REC Fund	2.18		4.29
Self Insurance Reserve	81.30		62.14

**Note 2.2/Reserves and surplus (Contd.)**

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
General Reserve	2406.78	1971.20
Interim dividend paid	433.14	715.10
Tax on Interim dividend	86.51	121.45
Proposed Dividend	685.34	690.50
Tax on proposed Dividend	141.09	118.40
Closing Balance	211.86	20.82
TOTAL	33207.14	29466.35

Note 2.3/Deferred Revenue

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
a) Advance against depreciation	1986.95	2066.45
b) Grants in aid	74.42	96.28
c) Deferred income from foreign currency fluctuation(Net)	2751.22	2404.32
TOTAL	4812.59	4567.05

Note 2.4/Long-term borrowings

Description	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
A) BONDS		
A1) Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)		
A1.1 i) Bonds of ₹ 10 Lakh each		
XXXIX Issue- 9.40% redeemable at par on 29.03.2027	1800.00	1800.00
XXXVIII Issue- 9.25% redeemable at par on 09.03.2027	855.00	855.00
XLII Issue-8.80% redeemable at par on 13.03.2023	1990.00	1,990.00
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
ii) Bonds of ₹ 30 Lakh each consisting of 3 STRPPs of ₹ 10 lakh each redeemable at par in 3 (Three) equal installments on 09.03.2020,09.03.2025 and 09.03.2030		
XLIX Issue-8.15% redeemable w.e.f. 09.03.2020 **	1305.00	-
iii) Bonds of ₹ 40 Lakh each consisting of 4 STRPPs of ₹ 10 lakh each redeemable at par in 4 (Four) equal installments on 23.01.2020, 23.01.2022, 23.01.2025 and 23.01.2030		
XLVIII Issue-8.20% redeemable w.e.f. 23.01.2020	2580.00	-
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
iv) Bonds of ₹ 30 Lakh each consisting of 3 STRPPs of ₹ 10 lakh each redeemable at par in 3 (Three) equal installments on 04.09.2019,4.09.2024 and 04.09.2029		
XLVI Issue-9.30% redeemable w.e.f. 04.09.2019	4362.00	-
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		

Note 2.4/Long-term borrowings (Contd.)

(₹ in Crore)

Description	As at 31 st March, 2015	As at 31 st March, 2014
v) Bonds of ₹ 1.20 crore each consisting of 12 STRPPs of ₹ 10 lakh each redeemable at par in 12 (Twelve) equal installments XLVII Issue-8.93% redeemable w.e.f 20.10.2018 Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	2640.00	-
vi) Bonds of ₹ 10 Lakh each redeemable at par in 3 equal instalments on 15.07.2018, 15.07.2023 and 15.07.2028 XLIV Issue-8.70% redeemable w.e.f. 15.07.2018 Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	3966.00	3,966.00
vii) Bonds of ₹ 1.2 crores each consisting of 12 STRPPs of ₹ 10 lakhs each redeemable at par in 12 (twelve) equal annual instalments XLV Issue-9.65% redeemable w.e.f. 28.02.2018 XLIII Issue-7.93% redeemable w.e.f. 20.05.2017 Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	1999.20 3126.00	1,999.20 3,126.00
viii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹ 12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. XLI Issue-8.85% redeemable w.e.f. 19.10.2016 Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	2842.50	2,842.50
ix) Bonds of ₹1.50 crores each, consisting of 15 STRPPs of ₹10.00 Lakhs each redeemable at par in 15 (fifteen) equal annual instalments XXXVI Issue- 9.35% redeemable w.e.f. 29.08.2016 Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.	3090.00	3090.00
x) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments. XL Issue-9.30% redeemable w.e.f. 28.06.2016 XXXVII Issue- 9.25% redeemable w.e.f 26.12.2015 XXXV Issue- 9.64% redeemable w.e.f 31.05.2015 XXXIV Issue- 8.84% redeemable w.e.f 21.10.2014 XXXIII Issue- 8.64% redeemable w.e.f 08.07.2014 XXXII Issue- 8.84% redeemable w.e.f 29.03.2014 XXXI Issue- 8.90% redeemable w.e.f 25.02.2014 XXX Issue- 8.80% redeemable w.e.f 29.09.2013 XXIX Issue- 9.20% redeemable w.e.f 12.03.2013 XXVIII Issue- 9.33% redeemable w.e.f 15.12.2012 XXVII Issue- 9.47% redeemable w.e.f 31.03.2012 XXVI Issue- 9.30% redeemable w.e.f 07.03.2012	3997.50 1828.75 1794.38 2906.25 2400.00 776.25 1535.62 1749.38 865.00 1600.00 411.25 582.75	3,997.50 1995.00 1957.50 3196.88 2640.00 862.50 1706.25 1943.75 973.12 1800.00 470.00 666.00



Note 2.4/Long-term borrowings (Contd.)

(₹ in Crore)

Description	As at 31 st March, 2015	As at 31 st March, 2014
XXV Issue- 10.10% redeemable w.e.f 12.06.2011	621.25	710.00
XXIV Issue- 9.95% redeemable w.e.f 26.03.2011	399.75	466.38
XXIII Issue- 9.25% redeemable w.e.f 09.02.2011	153.75	179.37
XXII Issue- 8.68% redeemable w.e.f 07.12.2010	345.00	402.50
XXI Issue- 8.73% redeemable w.e.f 11.10.2010	255.00	297.50
XX Issue- 8.93% redeemable w.e.f 07.09.2010	750.00	875.00
XIX Issue- 9.25% redeemable w.e.f 24.07.2010	247.50	288.75
XVIII Issue- 8.15% redeemable w.e.f 09.03.2010	416.25	499.50
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
xi) Bonds of ₹1.00 crores each, consisting of 10 STRPPs of ₹10.00 Lakhs each redeemable at par in 10 (ten) equal annual instalments.		
XVII Issue- 7.39% redeemable w.e.f 22.09.2009	300.00	400.00
XVI Issue- 7.10% redeemable w.e.f 18.02.2009	150.00	225.00
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
xii) Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.		
XV Issue-6.68% redeemable w.e.f. 23.02.2008	225.00	300.00
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
A1.2 Bonds of ₹ 1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments		
XIII issue-8.63% redeemable w.e.f 31.07.2006	135.00	202.50
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Kishenpur Moga & Dulhasti Contingency Transmission System		
A1.3 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 lakh each redeemable at par in 12 (twelve) equal annual instalments		
XII issue-.9.70% redeemable w.e.f 28.03.2006	15.38	30.75
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage and hypothecation on assets of Kayamkulam & Ramagundam Hyderabad Transmission System		
A1.4 Bonds of ₹3 crores each consisting of 12 STRPPs of ₹25 lakh each redeemable at par in 12 (twelve) equal annual instalments		
XI issue-9.80% redeemable w.e.f 07-12-2005	45.25	90.50
Secured by way of Registered Bond Trust Deed ranking pari-passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation on assets of Anta,Auriya, Moga-Bhiwani, Chamera-Kishenpur, Sasaram-Allahabad, LILO of Singraulli-Kanpur and Allahabad Sub-Station		
A1.5 Bonds of ₹1.5 crores each consisting of 12 STRPPs of ₹12.50 Lakhs each redeemable at par in 12 (twelve) equal annual instalments.		
XIV issue-6.10% redeemable w.e.f 17.07.2004	-	58.25

Note 2.4/Long-term borrowings (Contd.)

(₹ in Crore)

Description	As at 31 st March, 2015	As at 31 st March, 2014
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in district Valsad Gujarat and floating charge on the assets of the company.		
A1.6 Bonds of ₹12 lakh each redeemable at par in 12 (twelve) equal annual instalments		
X issue-10.90% redeemable w.e.f 21.06.2004	-	63.46
Secured by way of Registered Bond Trust Deed ranking pari passu on immovable property situated at Mouje Ambheti Taluka Kaparada in District Valsad Gujarat and mortgage & hypothecation of the assets of CTP-Farakka & Chamera Transmission system		
	55061.96	46966.66
A2) Unsecured		
A2.1 Redeemable Foreign Currency Bonds		
3.875% Foreign Currency Bonds to be redeemed at par on 17.01.2023	3159.50	3,030.50
Total (A)	58221.46	49997.16
B) Term loans from Banks		
B1) Rupee Loan (Secured)		
B1.1 i) Punjab National Bank-Loan-II	-	25.00
ii) Oriental Bank of Commerce	-	20.83
Secured by a floating charge on the fixed assets of the Company		
B1.2 Line of Credit (LOC) from State Bank of India -I	5000.00	5000.00
Line of Credit (LOC) from State Bank of India -II	2600.00	
Secured by way of pari passu charge on assets of the company except investments, Land and Buildings and Current Assets.		
iii) State Bank of India	74.19	88.40
iv) Central Bank of India	25.43	28.83
v) Jammu and Kashmir Bank	16.96	19.22
vi) Punjab National Bank	33.91	38.44
Secured by a Hypothecation of JV Companies (JayPee Power Grid Ltd and Powerlinks Transmission Ltd.) Tangible and Intangible Assets, Movable assets, and Current assets		
vi) Bank of Baroda	31.82	37.11
Secured by first pari passu charge over the Immovable, movable assets, Intangible Assets and equity shares held by Torrent Power Ltd of JV Company (Torrent Powergrid Ltd.)		
vii) Other Banks	184.78	103.55
Secured by First mortgage and charge on all the immovable and movable assets of JV Company (Teestavalley Power Transmission Ltd.)		
Total (B1)	7967.09	5361.38
B2) Foreign Currency Loans(Secured)		
B2.1 Bank of India Cayman Islands	232.80	255.20
Secured by a Floating charge on the immovable properties of the company		
B2.2 i) Nordic Investment Bank (PIL5120)	505.71	639.39
ii) ADB-VIII (2788-IND)	530.35	251.00
iii) International Finance Corporation	1011.04	1,333.42
iv) ICF Debt Pool LLP	315.95	303.05
Secured by pari passu interest in the liens created on the assets as security for the debts.		
v) Asian Development Bank	35.94	47.92
Secured by first paripasu charge on tangible/ intangible , all movable assets & current assets of JV Company (Powerlinks Transmission Ltd.)		



पावरग्रिड

Note 2.4/Long-term borrowings (Contd.)

(₹ in Crore)

Description	As at 31 st March, 2015	As at 31 st March, 2014
B2.3 Guaranteed by Government of India		
From Asian Development Bank (ADB)		
ADB-II (1764-IND)	801.43	882.25
ADB-III (2152-IND)	1869.95	1922.47
ADB-IV (2415-IND)	2387.71	2130.90
ADB-V (2510-IND)	668.94	578.62
ADB-VI (2823-IND)**	307.94	283.25
ADB-VII (2787-IND)**	903.18	427.38
From International Bank for Reconstruction and Development (IBRD)		
PSDP-II (4603-IN)	1332.41	1466.73
PSDP-III (4813-IN)	1856.74	1920.79
PSDP-IV (4890-IN)	3202.56	3239.80
PSDP-IV (Addl.) (7593-IN)	2253.74	1864.05
PSDP-V (7787-IN)	3711.41	2862.55
Secured by pari passu interest in the lien created on the assets as security for the debts.		
Total B2	21927.80	20408.77
B3) Foreign currency Loans (Unsecured)		
B3.1 Skandinaviska Enskilda Banken AB(publ) Sweden	19.42	49.49
AB Svensk Exportkredit, Sweden	1458.64	1,045.49
B3.2 Guaranteed by Government of India		
Natixis Banque (Formerly Credit National) France	78.79	106.27
Japan International Cooperation Agency (Formerly Japan Bank for International Cooperation) Japan	105.45	129.02
Total (B3)	1662.30	1330.27
Total B	31557.19	27100.42
C Term Loan From Others		
Rupee Loans (Secured)		
C1 Life Insurance Corporation of India-II	-	55.16
Life Insurance Corporation of India-III	0.22	0.95
Secured by a floating charge on the fixed assets of the Company.		
International Finance Corporation	40.42	53.89
Infrastructure Development Finance Corporation	30.37	40.48
Secured by way of first charge ranking pari pasu on tangible/ intangible on all movable assets & current assets of JV company (Powerlinks Transmission Ltd)		
Power Finance Corporation Limited	582.79	467.00
Rural Electrification corporation	60.02	57.07
Secured by First Mortgage of immovable properties and Hypothecation of all movable assets and current assets of JV companies (Parbati Koldam Transmission Company Ltd, North East Transmission Company Limited, National Highpower Test lab Pvt Ltd and Cross Border Power Transmission Company Limited)		
TOTAL (A TO C)	713.82 90492.47	674.55 77772.13

Further notes:

The Term loans are repayable in installments as per the terms of respective agreement generally over the period of 10 to 20 years after the moratorium period of 3 to 5 years.

* Security is created in the Current Year.

** Securities are yet to be created

Note 2.5/Deferred tax liabilities (Net)

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
Deferred Tax liability (DTL)		
Towards Fixed Assets(Net) (A)	6900.01	6034.84
Deferred Tax Assets		
Income during Construction Period	110.25	92.83
Self Insurance Reserve	13.49	20.13
Provisions allowable on payment basis	113.07	108.13
Advance Against Depreciation	670.90	685.94
Others	39.47	15.01
Sub-total (B)	947.18	922.04
Deferred Tax Liability (Net) (A-B)	5952.83	5112.80
Less: Deferred assets for deferred tax liability	3462.38	2660.35
Net Deferred Tax Liability	2490.45	2452.45

Further Note:

- Charge of ₹ 36.98 crore (Previous year ₹ 485.31 crore) has been made in the statement of Profit & Loss account & Loss and credit of ₹ 0.03 crore relating to depreciation is directly adjusted in General reserve in terms of transitional provisions of Schedule II of Companies Act, 2013. Further Credit of ₹ 0.99 crore on account of difference in asset as per provisional accounts and audited accounts of JV/Subsidiary Companies for the last year is adjusted in reserves account.
- The tariff norms for the block period 2014-2019 notified by the CERC provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the transmission income. Accordingly, deferred tax provided during the year ended 31st March, 2015 on the transmission income is accounted as 'Deferred Tax Assets against Deferred Tax Liability'. Deferred Tax Assets against Deferred Tax Liability for the year will be reversed in future years when the related deferred tax liability forms a part of current tax.

Note 2.6/Other Long term liabilities

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
Other liabilities		
i) Deposits /Retention money from contractors and others.	661.38	902.77
ii) Advance from customers (Consultancy contracts)	401.03	358.41
iii) Dues for Capital Expenditure	22.88	76.94
iv) Others	44.10	20.36
Total	1129.39	1358.48

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 2.45

Note 2.7/Long-term provisions

Particulars	(₹ in Crore)	
	As at 31 st March, 2015	As at 31 st March, 2014
Employee Benefits		
As per last balance sheet	554.97	469.89
Additions/(adjustments) during the year	55.53	85.08
Closing Balance	610.50	554.97
TOTAL	610.50	554.97

**Note 2.8/Short-term borrowings**

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Short Term Loans		
From Banks		
Secured*	6.49	-
Unsecured	1200.00	2700.00
Total	1206.49	2700.00

* Secured against movable assets of the JV company (JayPee Powergrid Limited) both present and future and a charge has been created ranking pari passu with the existing charges of Term Loan.

Note 2.9/Trade payables

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
For goods and services	430.19	349.01
Total	430.19	349.01

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 2.45

Note 2.10/Other current liabilities

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A) Current maturities of long term borrowings		
Secured		
Bonds	2791.71	2464.34
Rupee Term Loans	177.46	171.18
Foreign Currency Loans	1489.18	1066.29
	4458.35	3701.81
Un-secured		
Foreign Currency Loans	86.10	45.64
		45.64
	4544.45	3747.45
B) Interest accrued but not due on borrowings from		
Indian Banks, Financial Institutions & Corporations	19.40	25.04
Foreign Banks & Financial Institutions	39.30	36.80
Secured/Unsecured redeemable Bonds	2315.99	2013.23
	2374.69	2075.07
C) Others		
i) Dues for capital expenditure	4746.11	4799.83
ii) Employee related liabilities	116.59	112.79
iii) Unpaid matured bonds	-	0.10
iv) Unclaimed dividends*	10.39	11.23
v) Deposits/Retention money from contractors and others.	4870.77	3042.38
vi) Advances from customers	2063.02	1528.17
vii) Statutory dues	170.68	158.71
viii) Related parties**	34.26	9.09
ix) Liabilities in respect of designated a/c operated and maintained in terms of CERC Regulations	55.94	84.63
x) Liability on account of Truing up	180.31	108.43

Note 2.10/Other current liabilities (Contd.)

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
xi) Liabilities in respect of Third Parties under			
i) Short Term open Access Regulations			
a) CTU	47.52		49.96
b) STU	38.13		26.44
ii) PSDF	185.46		-
xii) Others	559.04		282.88
		13078.22	10214.64
Total		19997.36	16037.16

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under "The Micro, Small and Medium Enterprises Development Act, 2006" is given in Note No. 2.45

* No amount is due for payment to Investor Education and Protection Fund

**Breakup of related parties is provided in Note 2.49(b)

Note 2.11/Short-term provisions

		(₹ in Crore)	
Particulars		As at 31 st March, 2015	As at 31 st March, 2014
a) Employee Benefits			
i) Transmission incentive/special incentive			
As per last balance sheet	133.19		130.69
Addition during the year	117.12		170.45
Amount paid/adjusted during the year	37.18		167.95
Closing Balance	213.13		133.19
ii) Other Employee Benefits			
(Leave Encashment, Settlement Allowance and Long Service Award etc.)			
As per last balance sheet	40.96		27.37
Additions/(adjustments) during the year	2.67		13.59
Closing Balance	43.63		40.96
Total (A)		256.76	174.15
b) Others			
i) Taxation (Including interest on tax)			
As per last balance sheet	0.10		
Additions during the year	1345.90		1337.98
Amount adjusted during the year	(3287.19)		(2027.59)
Net off against taxes paid (Note 2.18)	4,570.49		3,365.47
Closing Balance	62.70		0.10
ii) Proposed Dividend			
As per last balance sheet	690.50		542.74
Additions during the year	685.34		690.50
Amounts paid during the year	690.50		542.74
Closing Balance	685.34		690.50
iii) Tax on proposed Dividend			
As per last balance sheet	118.40		92.24
Additions during the year	141.10		118.40
Amounts paid/adjusted during the year	118.40		92.24
Closing Balance	141.10		118.40



पावरग्रिड

Note 2.11/Short-term provisions (Contd.)

(₹ in Crore)

Particulars		As at 31 st March, 2015	As at 31 st March, 2014
iv) Downtime Service Credit-Telecom			
As per last balance sheet	5.23		3.74
Additions during the year	2.15		2.18
Amounts adjusted/paid during the year	0.60		0.69
Closing Balance		6.78	5.23
v) Provision Others			
As per last balance sheet	2.06		0.01
Additions during the year	1.43		2.06
Amounts adjusted/paid during the year	0.06		0.01
Closing Balance		3.43	2.06
Total (B)		899.35	816.29
Total (A+B)		1156.11	990.44

Note 2.12/Tangible assets

(₹ in Crore)

Particulars	Gross Block					Depreciation/Amortisation					Net Block	
	As at 1 st April, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	Upto 31 st Mar, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Land												
a) Freehold	1668.45	109.17	-	(34.32)	1811.94	-	-	-	-	-	1811.94	1668.45
b) Leasehold	264.40	9.93	-	(3.65)	277.98	35.87	12.84	-	1.97	46.74	231.24	228.53
Buildings												
a) Sub-Stations & Office	657.46	73.58	-	(6.82)	737.86	192.58	24.85	-	(2.48)	219.91	517.95	464.88
b) Township	497.21	21.01	-	(6.90)	525.12	133.00	20.08	-	(2.03)	155.11	370.01	364.21
c) RLDC	9.88	3.40	-	-	13.28	2.26	0.39	-	(0.01)	2.66	10.62	7.62
Temporary Erection	9.85	0.65	-	0.01	10.49	9.84	0.77	-	0.14	10.47	0.02	0.01
Roads & Bridges	163.08	15.77	-	(0.34)	179.19	46.19	7.60	-	(0.55)	54.34	124.85	116.89
Water Supply Drainage & Sewerage	104.09	6.38	-	(0.18)	110.65	30.34	4.61	-	0.06	34.89	75.76	73.75
Plant & Equipment												
a) Transmission	58427.25	16022.98	-	83.11	74367.12	13690.65	3275.37	-	29.48	16936.54	57430.58	44736.60
b) Substation	32788.43	4978.12	8.69	(568.93)	38326.79	8286.09	1768.06	0.52	3.11	10050.52	28276.27	24502.34
c) Unified Load Despatch & Communication	466.44	129.89	0.11	(106.31)	702.53	329.72	34.38	0.06	(61.27)	425.31	277.22	136.72
d) Telecom	1484.82	46.74	-	100.34	1431.22	603.37	95.88	-	62.67	636.58	794.64	881.45
Furniture Fixtures	95.74	8.85	0.02	(0.14)	104.71	44.39	5.78	0.01	0.25	49.91	54.80	51.35
Office equipment	102.69	12.85	0.16	(0.18)	115.56	44.39	6.27	0.10	0.18	50.38	65.18	58.30
Electronic Data Processing & Word Processing Machines	108.35	22.21	0.88	(0.12)	129.80	80.71	14.13	0.77	0.19	93.88	35.92	27.64
Vehicles	4.89	0.16	-	0.21	4.84	2.40	0.41	-	0.08	2.73	2.11	2.49
Construction and Workshop equipment	169.04	43.41	-	(4.17)	216.62	38.73	10.46	-	0.11	49.08	167.54	130.31
Electrical Installation	124.52	3.64	-	(0.10)	128.26	43.43	6.23	-	0.45	49.21	79.05	81.09
Laboratory Equipments	71.44	4.07	-	(0.08)	75.59	33.85	3.47	-	0.12	37.20	38.39	37.59
Workshop & Testing Equipments	30.61	8.71	-	(0.15)	39.47	15.64	1.04	-	-	16.68	22.79	14.97
Miscellaneous Assets/ Equipments	0.83	0.11	-	-	0.94	0.28	0.05	-	0.01	0.32	0.62	0.55
Total	97249.47	21521.63	9.86	(548.72)	119309.96	23663.73	5292.67	1.46	32.48	28922.46	90387.50	73585.74
Less: Provision for assets discarded	10.40	-	-	0.07	10.33	8.66	-	-	0.05	8.61	1.72	1.74
Grand Total	97239.07	21521.63	9.86	(548.79)	119299.63	23655.07	5292.67	1.46	32.43	28913.85	90385.78	73584.00
Previous Year Total	81521.11	14150.88	1.99	(1579.47)	97249.47	19487.98	4188.17	0.90	11.52	23663.73	73585.74	
Less: Provision for assets discarded	10.47	-	-	0.07	10.40	8.71	-	-	0.05	8.66	1.74	
Previous Year Grand Total	81510.64	14150.88	1.99	(1579.54)	97239.07	19479.27	4188.17	0.90	11.47	23655.07	73584.00	

Further Notes:

- The company owns 6647 hectare (previous Year 6525 hectare) of land amounting to ₹ 2089.92 crore (previous Year ₹ 1932.85 crore) which has been classified into freehold ₹1811.94 crore (previous year ₹ 1668.45 crore) and leasehold ₹ 277.98 crore (previous year ₹ 264.40 crore) based on available documentation.
- The land classified as leasehold land held in the State of Jammu and Kashmir amounting to ₹ 68.53 crore (Previous Year ₹ 64.97 crore) is acquired by state Government as per procedures under State Land Acquisition Act. As per prevailing law the state government remains the owner of the land so acquired and company is only given possession for the specific use.
 - The transmission system situated in the state of Jammu and Kashmir have been taken over by the company w.e.f 1st April 1993 from National Hydroelectric Power Corporation of India Ltd. (NHPC) upon mutually agreed terms pending completion of legal formalities.
- Freehold land includes ₹ 33.71 crore (previous year ₹ 36.02 crore) and ₹ 192.08 crore (previous year ₹ 234.95 crore) in respect of land acquired by the Company for which conveyance deed in favour of the Company and mutation in revenue record respectively is pending.
- Leasehold land includes ₹ 7.64 crore (previous year ₹ 7.64 crore) in respect of land acquired for office complex on perpetual lease basis with an unlimited useful life at Katwaria Sarai, New Delhi and hence not amortised
- Leasehold land includes ₹ 13.97 crore (previous year ₹ 13.97 crore) in respect of land acquired by the company in chamba (HP) for which legal formalities are pending.
- Township buildings includes ₹ 7.27 crore (previous year ₹ 7.27 crore) for 28 flats at Mumbai, for which registration in favour of the company is pending.
- Land at Bina Sub-station measuring 13.90 acres (Previous year 13.90 acres) having value of ₹ ₹ 0.04 crore (Previous year ₹ 0.04 crore) has been transferred to National High Power Test Laboratory Pvt. Ltd. on right to use without granting ownership.

Note 2.13/Intangible assets

Particulars	Gross Block					Depreciation/Amortisation				Net Block		
	As at 1 st April, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	Upto 31 st Mar, 2014	Additions during the year	Sale / Disposal	Adjustment during the year	As at 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
Electronic Data	18.48	42.09	-	(1.03)	61.60	8.43	3.18	-	(8.29)	19.90	41.70	10.05
Processing Software												
Right of Way-Afforestation Expenses	772.79	152.24	0.12	(0.53)	925.44	116.24	47.34	0.01	0.86	162.71	762.73	656.55
SCADA Software	194.33	0.06		0.93	193.46	193.26	0.57		1.22	192.61	0.85	1.07
Total	985.60	194.39	0.12	(0.63)	1180.50	317.93	51.09	0.01	(6.21)	375.22	805.28	667.67
Previous Year Total	805.33	141.99	-	(38.28)	985.60	268.21	40.85	-	(8.87)	317.93	667.67	

Note 2.14/Capital work in progress

Particulars	As at 1 st April, 2014	Additions during the year	Adjustments	Capitalised during the year	As at 31 st March, 2015
Land					
Development of land	56.43	94.09	39.44	106.74	4.34
Buildings					
a) Sub-Stations & Office	235.44	232.07	84.41	71.17	311.93
b) Township	62.32	32.86	12.13	20.51	62.54
Temporary erection	0.87		0.85	-	0.02
Roads & Bridges	23.99		9.26	8.77	5.96
Water Supply Drainage and Sewerage	9.72		2.80	4.66	2.26
Plant & Equipments (including associated civil works)					
a) Transmission	22753.80	19235.00	(86.56)	15204.29	26871.07
b) Sub-Station	3017.51	7617.50	(34.91)	4444.39	6225.53
c) Unified Load Despatch & Communication	188.03	339.17	0.12	129.54	397.54
d) Telecom	70.42	37.73	34.36	26.12	47.67
e) DELP Project Puducherry	0.83	1.48			2.31
Furniture & Fixtures	0.91		0.31	0.45	0.15
Other office equipments	1.11	6.04	0.01	1.56	5.58
Electrical Installations	16.23		14.73	1.49	0.01



Expenditure pending allocation

i) Survey, investigation, consultancy & supervision Charges	64.82	11.00	16.23	18.98	40.61
ii) Difference in Exchange on foreign currency loans	1207.52	(76.25)	173.13	141.09	817.05
iii) Expenditure during construction period(net) (Note 2.32)	4326.25	3083.63	1815.85	122.20	5471.83
TOTAL	32036.20	30614.32	2082.16	20301.96	40266.40
Less: Provision for unserviceable / discarded Assets	19.40	3.64	19.40	-	3.64
Grand Total	32016.80	30610.68	2062.76	20301.96	40262.76
Previous Year Total	19256.27	27985.40	1599.50	13605.97	32016.80

Note 2.15/Intangible assets under development

(₹ in Crore)

Particulars	As at 1 st April, 2014	Additions	Adjustments	Capitalised during the year	As at 31 st March, 2015
Electronic Data Processing Software	17.67	25.79	8.37	35.00	0.09
Right of Way-Afforestation expenses	291.88	3.58	3.78	152.24	139.44
Development Expenditure	64.79	7.38	(1.58)	-	73.75
Total	374.34	36.75	10.57	187.24	213.28
Previous Year Total	215.33	227.31	(58.56)	126.86	374.34

Note 2.16/Construction stores

(For mode of valuation refer note 1.18)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Towers	2527.36	4209.34
Conductors	3400.65	5087.57
Other Line Materials	1655.27	2615.22
Sub-Station Equipments	2523.66	2507.46
High Voltage Direct Current (HVDC) Equipments	2850.07	3022.46
Unified Load Despatch & Communication(ULDC) Materials	200.78	88.73
Telecom Materials	8.39	19.32
Others	39.08	127.93
	13205.26	17678.03
Less: Provision for shortages and obsolete material	0.02	0.10
TOTAL	13205.24	17677.93

Construction Stores include:

i) Material in transit

Towers	6.39	9.45
Conductors	13.35	-
Other Line Materials	62.93	46.74
Sub-Station Equipments	794.03	219.63
High Voltage Direct Current (HVDC) Equipments	413.54	904.31
Unified Load Despatch & Communication(ULDC) Materials	11.68	-

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Others	12.05	66.72
Total	1313.97	1246.85
ii) Material with Contractors		
Towers	2520.97	4199.89
Conductors	3387.30	5087.57
Other Line Materials	1592.34	2568.48
Sub-Station Equipments	1729.63	2259.94
High Voltage Direct Current (HVDC) Equipments	2436.53	2118.06
Unified Load Despatch & Communication(ULDC) Materials	189.10	59.02
Telecom Materials	8.39	19.32
Others	4.65	42.42
Total	11868.90	16354.70
Grand total	13182.87	17601.55

Further Notes:

Pending reconciliation, materials amounting to ₹112.34 crore (previous year ₹100.91 crore) in commissioned lines is shown as construction stores lying with contractors.

Note 2.17/Non-current investments

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
LONG TERM		
A. TRADE INVESTMENTS (AT COST)		
I. Equity Instruments-Fully Paid up :-		
Quoted		
PTC India Limited		
12000006 (Previous year 12000006) Shares of ₹10/- each	12.00	12.00
{Market Value ₹ 97.08 crore @ 80.90 (NSE) per share (Previous year ₹ 81.36 crore @ 67.80 (NSE) per share)}		
II. Govt.Securities (Unquoted):-		
8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006	7.49	194.27
B. Non-trade investments (Unquoted)		
Equity shares-Fully paid-up		
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Itarsi (₹ 5000/-)	0.00	0.00
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Nagpur (₹ 5000/-)	0.00	0.00
500 (Previous year 500) shares of ₹ 10/- each in Employees Co-op Society Limited Jabalpur (₹ 5000/-)	0.00	0.00
1 (Previous year NIL) shares of ₹ 10/- each in Bharat Broadband Network Ltd (₹ 10/-)	0.00	0.00
Total (B)		
TOTAL	19.49	206.27



(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Further notes:		
1) Aggregate amount of Quoted Investments		
Book value	12.00	12.00
Market Value	97.08	81.36
Aggregate amount of Unquoted Investments		
Book value	7.49	194.27
2) Investments have been valued as per accounting policy no. 1.11(Note no 1)		

Note 2.18/Long-term loans and advances

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A) Advances for Capital Expenditure		
i) Secured	0.26	8.40
ii) Unsecured		
a. Against bank guarantees	2806.07	3268.35
b. Others	662.03	600.55
iii) Unsecured considered doubtful	3.00	1.21
	3471.10	3870.11
Less: Provision for bad & doubtful Advances	3.00	1.21
	3468.10	3868.90
	3468.36	3877.30
B) Loans		
i) Employees (including interest accrued)		
Secured	177.69	152.05
Unsecured	8.13	8.79
	185.82	160.84
ii) Long term loan (Under securitisation Scheme)		23.14
iii) Lease receivables	376.61	437.34
	562.43	621.32
C) Security Deposits	10.05	4.87
D) Advances recoverable in cash or in kind or for value to be received		
Contractors & Suppliers (including material issued on Loan)	46.08	48.10
Employees	13.31	10.66
Others	4.60	34.95
Balance with Customs Port Trust and other authorities	0.31	1.50
MAT Credit Entitlement	41.99	29.30
Advance tax and Tax deducted at source	4570.49	3466.96
Less: Provision for taxation	4570.49	3365.47
	106.29	226.00
Considered doubtful	3.72	6.24
	110.01	232.24

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Less: Provision for doubtful Advances	3.72	6.24
TOTAL	106.29	226.00
	4147.13	4729.49
Due from:		
Directors	0.11	0.04
Officers	6.72	8.52

Further notes:

*Breakup of advances to related parties is provided in Note 2.49 (b)

Note 2.19/Current investments

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
CURRENT MATURITIES OF LONG TERM INVESTMENTS (AT COST)		
TRADE INVESTMENTS		
I) Govt.Securities (Unquoted):-		
8.5% Bonds redeemable in 20 half yearly instalments w.e.f. 1.10.2006	185.43	184.35
II) Mutual Funds (Unquoted)		
ICICI Prudential Liquid Growth	-	2.49
Birla Sunlife Cash Fund	-	0.59
IDFC Cash Fund	1.68	2.24
Axis Liquid Fund Growth	-	7.51
Baroda Pioneer Liquid Fund Plan A Growth	-	5.02
ICICI Prudential FMP series 69-369 days Growth*	-	12.26
Kotak FMP Series 116- Growth*	-	2.16
Religare Invesco Liquid Fund	10.17	-
Sundaram Money Fund Regular- Growth	2.82	0.55
	14.67	32.82
GRAND TOTAL	200.10	217.17

Further notes:

1) Aggregate amount of Unquoted Investments
Book value

200.10 217.17

2) Investments have been valued as per accounting policy no. 1.11(Note no 1)

* under lean for Debt Service Reserve Account (DSRA) and Debt Service accrual account (DSAA)

Note 2.20/Inventories

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
(As taken valued and certified by the Management)		
(For mode of valuation refer Note 1.12)		
Loose tools	10.64	0.96
Consumable stores	5.06	2.10
Components, Spares & other spare parts:		
Towers	167.46	158.21
Conductors	51.08	57.27
Other Line Materials	212.70	190.86
Sub-Station Equipments/Spares	187.32	199.99
High Voltage Direct Current Equipments/spares	82.13	61.05

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unified Load Despatch Centre Spares	3.79	1.66
Telecom Spares	5.70	5.69
Other Stores	13.12	35.92
	739.00	713.71
Less Provision for Shortages	20.16	0.27
TOTAL	718.84	713.44
Inventories includes material in transit		
Towers	0.01	-
Other Line Materials	0.01	0.08
Total	0.02	0.08

Note 2.21/Trade receivables

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
i) Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	223.56	146.43
Considered doubtful	27.41	21.31
	250.97	167.74
ii) Others	1983.40	1471.86
	2234.37	1639.60
Less: Provision for bad & doubtful trade receivables	27.41	21.31
TOTAL	2206.96	1618.29

Note 2.22/Cash and Bank balances

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
1) Cash and Cash Equivalents		
Balance with banks-		
-In Current accounts	1413.50	970.13
-In designated current accounts (to be utilised for consultancy assignments)	984.90	653.13
-In term deposits (having maturity period upto 3 months)	16.92	54.78
-In LDC Development Account	114.69	116.83
Drafts/Cheques in hand*	0.01	0.01
Cash in hand	0.02	0.01
Stamps and Imprest	0.15	0.02
	2530.19	1794.91
2) Other Bank Balances		
- In current account (Unclaimed dividend)	10.39	11.23
- In Current Accounts / Flexi Deposits (Operated and maintained in terms of CERC regulations)	48.33	77.37
- In Term Deposits having maturity over 3 months (FPO proceeds to be utilised for identified projects)	-	2,975.00
- In Current Accounts / Flexi Deposits (Held on account of Third Parties)		

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
a) Short Term Open Access Regulations	85.65	76.40
b) PSDF Disbursement Account	185.46	-
- In other Term/Flexi Deposits Deposits having maturity over 3 months	128.53	39.46
TOTAL	2988.55	4974.37

Further notes:

Balance with Banks in current accounts and designated current accounts under cash and cash equivalents above, includes liquid flexi term deposit ₹442.62 crore (previous year ₹150.97 crore) and ₹ 982 crore (previous year ₹611.82 crore) respectively

* Less than ₹ 0.01 crore

Note 2.23/Short-term loans and advances

(Unsecured considered good unless otherwise stated)

(₹ in Crore)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A) Loans		
a) Employees including interest accrued		
i) Secured	16.39	25.63
ii) Unsecured	5.95	5.65
	22.34	31.28
b) Others		
Current maturities of Long Term Advances (Under securitisation Scheme)	23.14	23.14
Current Maturities of Lease Receivables	73.68	98.31
Others	0.03	-
	96.85	121.45
Total(A)	119.19	152.73
B) Advances to related parties*	24.22	16.08
C) Advances recoverable in cash or in kind or for value to be received		
a) Employees	15.91	20.12
b) Others	0.22	
Contractors & Suppliers (Including Material issued on loan)	33.83	19.57
Balance with Customs Port Trust and other authorities	31.98	28.78
Others	199.17	185.10
	264.98	233.45
Total (C)	281.11	253.57
Total(A+B+C)	424.52	422.38
Directors	0.08	0.01
Officers	2.28	2.78

Further notes:

*Breakup of advances to related parties is provided in Note 2.49(b)



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Note 2.24/Other current assets

(Unsecured considered good unless otherwise stated)

(₹ in Crore)		
Particulars	As at 31 st March, 2015	As at 31 st March, 2014
a) Unbilled Revenue	2287.58	1654.85
b) Interest accrued but not due		
Interest accrued on Investments (Bonds)	12.09	20.19
Interest accrued on Term/Fixed Deposits	12.98	74.45
c) Claims recoverable	4.06	3.86
d) Others	28.10	33.56
e) Doubtful claims	-	1.09
	2344.81	1788.00
Less: Provision for doubtful claims	-	1.09
TOTAL	2344.81	1786.91

Further notes:

Unbilled revenue ₹ 1002.55 crore (Previous year ₹615.33 Crore) represent amount for which the company is yet to raise bills in view of recognition of revenue as per CERC Tariff norms applicable for 2009-2014 and also includes transmission charges for the month of March, 2015 amounting to ₹1285.03 crores (previous year ₹ 1039.52 crores) billed to beneficiaries in the month of April, 2015(Previous year April, 2014).

Note 2.25/Revenue from operations

(₹ in Crore)		
Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
i) Transmission Business		
Sales of services		
Transmission Charges	16668.71	14232.83
Add: Revenue recognised out of advance against depreciation	79.50	76.88
Add: -Short term open access	-	203.70
Add: -Short term open access- Charges	39.57	38.80
Add: System & Market Operation Charges	139.94	140.66
	16927.72	14692.87
Other operating revenue		
Interest on differential between Provisional and Final Tariff by CERC	70.88	77.54
	16998.60	14770.41
ii) Telecom Business		
Sales of services		
NLD	272.48	268.41
IP-1	8.44	8.62
ISP	2.59	1.68
Others	15.59	8.48
	299.10	287.19
Less: Inter Divisional Transfer		
NLD	18.97	5.65
IP-1	5.16	5.16
ISP	0.26	0.24
	24.39	11.05
	274.71	276.14

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
iii) Consultancy Project Management and Supervision		
Sales of services	385.20	334.81
Sales of products	-	294.07
	385.20	628.88
Total	17658.51	15675.43

Further notes:

- In exercise of powers u/s 178 of the Electricity Act 2003, Central Electricity Regulatory Commission (CERC) has notified "CERC (Terms and Conditions of Tariff) Regulations 2014" vide order dated 21st February, 2014 for the determination of transmission tariff for the block period 2014-19.
- Income on account of Transmission Charges for the year has been provisionally recognised based on "CERC (Terms and Conditions of Tariff) Regulations 2014" pending issuance of final tariff orders (wherever tariff petitions have been filed) and filing of tariff petitions in certain cases for block period 2014-19. However beneficiaries are being billed as follows:
 - In respect of the assets commissioned prior to 31-03-2014, in accordance with the tariff approved and applicable as on 31st March 2014 as provided in CERC (Terms and conditions of Tariff) Regulations 2014.
 - In respect of assets commissioned after 31-03-2014 up to 90% of the tariff claimed wherever provisional orders have been issued by the CERC.
- In terms of CERC notification dated 11th September, 2013, no income is accruing on account of Short Term Open Access (STOA) w.e.f. 11th September 2013. Accordingly, the relevant accounting policy has been deleted/ discontinued in the current Financial Year.

Note 2.26/Other income

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A) Income from non-current Investments		
i) Dividend		
Others	2.41	1.92
ii) Interest on Govt. securities	28.11	43.68
B) Other Interest		
Loan to State Govt. in settlement of dues	2.95	4.26
Indian Banks	318.94	241.11
Interest from advances to contractors	156.19	231.71
Others	14.41	12.48
	523.01	535.16
C) Others		
Profit on sale of Fixed Assets	1.90	0.10
Deferred Income (Transferred from Grants-in-aid)	22.19	22.05
Transfer from Insurance Reserve on A/c of Losses of Fixed Assets	20.21	5.83
Lease Income-State Sector ULDC	37.18	38.84
Surcharge	66.84	75.03
Hire charges for equipments	0.22	0.12
FERV gain	12.44	-
Rebate	0.34	0.35
Provisions written back	5.52	6.50
Miscellaneous income	84.26	89.52
	774.11	773.50
Less: Income transferred to expenditure during construction(Net)-Note 2.32	199.58	302.81
TOTAL	574.53	470.69

**Note 2.27/Employee benefits expense**

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Salaries wages allowances & benefits	1274.59	1205.15
Contribution to provident and other funds	277.90	168.77
Staff Welfare expenses	153.98	122.25
	1706.47	1496.17
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	582.06	462.56
TOTAL	1124.41	1033.61

Further notes:

- a) Employees' remuneration and benefits include the following for the whole time directors, including chairman and managing director and excluding arrears paid to ex-directors.

(₹ in Crore)

Particulars	Current Year	Previous year
Salaries and Allowances	1.95	1.69
Contribution to Provident Fund and other Funds, Gratuity and Group Insurance	0.24	0.23
Other benefits	0.71	0.29

- b) In addition to the above remuneration, the whole time directors have been allowed to use the staff car (including for private journeys) on payment of ₹ 2000/- p.m. as contained in the Department of Public Enterprises (DPE) OM No.2(23)/11-DPE(WC)-GL-V/13 dt. 21.01.2013.
- c) Pending approval of Ministry of Power and Department of Public Enterprises, special allowance up to 10% of Basic pay amounting to ₹17.48 crore for the financial year 2014-15 (Cumulative amounting to ₹ 96.34 crore upto 31.03.2015) is being paid to employees who are posted in the difficult and far flung areas. The above allowance is above the maximum ceiling of 50% of Basic Pay as per DPE office memorandum no. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26-Nov-2008.
- d) Employee benefit expenses for the year includes ₹87.28 crore as balance contribution towards Powergrid Employees Defined Contribution Superannuation Benefit (Pension) Scheme for the period 01.01.2007 to 31.03.2012.

Note 2.28/Finance costs

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A) i) Interest on loans from		
Indian Banks, Financial Institutions & Corporations	1169.08	693.39
Foreign Banks and Financial Institutions	233.33	222.49
Secured/Unsecured redeemable Bonds	4755.96	4238.37
Foreign Currency Bonds	126.13	126.71
ii) Interest-Others	14.75	20.62
	6299.25	5301.58
B) Other borrowing costs		
Commitment charges	14.40	18.20
Guarantee Fee	238.54	204.59
Other finance charges	21.70	48.88
	274.64	271.67
C) Foreign Exchange Rate Variation (FERV)		
Foreign Exchange Rate Variation	6.27	3.96
Less: Recoverable from beneficiaries at the time of truing up	6.27	3.96
	6573.89	5573.25
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	2492.66	2319.59
TOTAL	4081.23	3253.66

Note 2.29/Depreciation and amortization expense

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Depreciation/amortisation on Tangible Assets	5292.67	4188.17
Amortisation of Intangible assets	51.09	40.85
	5343.76	4229.02
Less: Transferred to Expenditure During Construction(Net)-Note 2.32	12.68	9.52
	5331.08	4219.50
Less: Depreciation amortised due to FERV adjustment	157.75	140.12
Charged To Statement of Profit & Loss	5173.33	4079.38

**Note 2.30/Transmission, Administration and other expenses**

(₹ in Crore)

Particulars		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Repair & Maintenance			
Buildings		46.58	31.11
Plant & Machinery			
Sub-Stations	226.42		192.10
Transmission lines	128.95		74.34
Telecom equipments	20.37		25.99
RLDC	16.98		19.87
Others	17.29		10.83
		410.01	323.13
System and Market Operation Charges		4.17	
Power charges	174.38		125.49
Less: Recovery from contractors	1.25		1.12
		173.13	124.37
Expenses of Diesel Generating sets		6.54	5.72
Stores consumed		1.02	0.06
Water charges		1.22	1.04
Right of Way charges(Telecom)		4.41	4.94
Patrolling Expenses-Telecom		1.99	1.71
Last Mile connectivity-Telecom		2.21	0.12
Training & Recruitment Expenses	26.61		20.89
Less:Fees for training and application	0.03		0.15
		26.58	20.74
Legal expenses		11.63	8.13
Professional charges(Including TA/DA)		14.21	24.53
Consultancy expenses(Including TA/DA)		7.92	7.81
Communication expenses		15.97	15.59
Travelling & Conv.exp.(excluding foreign travel)	113.16		92.64
Foreign travel	13.65		12.25
		126.81	104.89
Tender expenses	22.58		18.48
Less: Sale of tenders	5.04		3.69
		17.54	14.79
Remuneration to auditors			
Statutory Auditors*			
Audit Fees	0.90		0.71
Tax Audit Fees	0.14		0.13
In Other Capacity	1.14		0.64
Arrears	0.13		0.15
Out of pocket Expenses	0.79		0.66
		3.10	2.29
Advertisement and publicity		12.37	7.85
Printing and stationery		6.52	6.77
Books Periodicals and Journals		1.16	1.29
EDP hire and other charges		3.94	4.11
Entertainment expenses		2.16	1.80
Brokerage & Commission		0.36	0.53
Research & Development expenses		3.41	0.69
Cost Audit and Physical verification Fees		0.76	0.67
Rent		12.57	11.99

Note 2.30/Transmission, Administration and other expenses (contd...)

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Capital Expenditure on assets not owned by the Company	3.93	3.07
CERC petition & Other charges	38.31	32.82
Miscellaneous expenses	70.02	48.79
Horticulture Expenses	12.23	10.67
Security Expenses	107.36	92.75
Hiring of Vehicle	124.63	94.69
Insurance	72.87	57.88
Rates and taxes	9.64	7.16
License Fees to DOT	23.44	22.59
Bandwidth charges dark fibre lease charges (Telecom) etc	22.17	20.56
Expenditure on Corporate Social Responsibility (CSR) & Sustainable development	29.65	24.04
Non operating expenses	0.54	0.74
Transit Accomodation Expenses	9.18	8.63
Less : Income from Transit Accomodation	0.92	0.95
	8.26	7.68
Rebate to Customers	118.55	120.21
Foreign Exchange Rate Variation (Net of FERV gain & amount recoverable)		8.35
Provisions		
Provision-Others	43.95	22.43
	43.95	22.43
	1603.84	1301.10
Less: Transferred to Expenditure during Construction(Net)-Note 2.32	196.52	148.32
	1407.32	1152.78
Loss on Disposal/Write off of Fixed Assets	0.58	5.76
Total	1407.90	1158.54
Stores consumption included in repair and maintenance	137.53	110.52

Further Notes:

The Company has allowed rebate against payment received through LC / cheques / RTGS for effecting better and timely recovery of dues from State Power Utilities on consistent basis

Note 2.31/Prior period items(Net)

(₹ in Crore)

Particulars	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
Income		
Transmission charges	1.74	(16.89)
Others	(0.48)	8.13
	1.26	(8.76)
Expenditure		
Power charges	37.77	
Rates and taxes	3.76	0.73
Depreciation/amortisation		14.85
Interest		13.21
Others	6.21	5.36
	47.74	34.15
Prior period expenditure/(income)(Net)	46.48	42.91
Less: Transferred to Expenditure during Construction(Net) -Note 2.32	(0.71)	0.38
Total	47.19	42.53



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Note 2.32/ Expenditure during Construction (Net)

(₹ in Crore)

Particulars		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
A. Employees Remuneration & Benefits			
Salaries wages allowances and benefits		471.64	384.05
Contribution to provident and other funds		80.88	53.18
Welfare expenses		29.54	25.33
Total(A)		582.06	462.56
B. Other Expenses			
Repair and maintenance			
Buildings	4.40		2.66
Others	4.41		2.13
		8.81	4.79
Power charges	11.41		18.70
Less: Recovery from contractors	0.39		0.60
		11.02	18.10
Expenses on Diesel Generating sets		0.88	1.05
Water charges		0.50	0.25
Training & Recruitment Expenses		0.09	0.03
Legal expenses		3.19	2.02
Professional charges		5.24	2.63
Consultancy expenses		6.04	1.40
Communication expenses		2.48	3.01
Travelling & Conv.exp. (Including Foreign Travel)		47.02	40.94
Tender expenses	8.82		8.28
Less: Sale of tenders	4.49		3.36
		4.33	4.92
Payment to Auditors		0.11	0.15
Advertisement and Publicity		0.60	0.41
Printing and stationery		0.81	0.77
Books, Periodicals and Journals		0.02	0.02
EDP hire and other charges		1.07	0.30
Entertainment expenses		0.16	0.26
Brokerage and commission		0.07	0.06
Rent		5.26	4.33
Miscellaneous expenses		19.70	5.57
Horticulture Expenses		0.42	0.61
Security Expenses		19.48	18.37
Hiring of Vehicles		55.87	34.28
Insurance		0.84	1.39
Rates and taxes		1.80	1.41
Bandwidth charges, dark fibre lease charges(Telecom)		0.19	0.11
Non-operating expenses			0.09
Transit Accomodation Expenses	0.55		1.09
Less : Income from Transit Accomodation	0.03		0.04
		0.52	1.05
Sub-total		196.52	148.32
Prior Period adjustment (net)		(0.71)	0.38
Total(B)		195.81	148.70

(₹ in Crore)

Particulars		For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
C. Depreciation/Amortisation		12.68	9.52
D. Finance Costs			
a) Interest on Loans from			
Indian Banks, Financial Institutions and Corporations	590.03		316.52
Foreign Banks and Financial Institutions	107.15		110.67
Secured/Unsecured Redeemable Bonds	1637.90		1665.16
Foreign Currency Bonds	70.72		125.93
		2405.80	2218.28
b) Other borrowing costs			
Commitment charges	13.24		17.99
Guarantee fee	71.09		56.56
Other Finance Charges	2.53		26.76
		86.86	101.31
Total (D)		2492.66	2319.59
E. Less: Other Income			
Interest from			
Indian banks	33.54		60.05
Contractors	152.42		225.30
Others	2.59		1.88
		188.55	287.23
Miscellaneous income		11.03	15.58
Total (E)		199.58	302.81
GRAND TOTAL (A+B+C+D-E)		3083.63	2637.56



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OTHER NOTES

2.33. BASIS OF CONSOLIDATION

1.1 The consolidated financial statements relate to Power Grid Corporation of India Limited (the Company), its Subsidiaries and interest in Joint Venture Companies.

a) Basis of Accounting:

- The financial statements of the subsidiary companies and joint venture companies in the consolidation are drawn up to the same reporting date as of the Company.
- The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21- 'Consolidated Financial Statements' and Accounting Standard (AS) -27 'Financial Reporting of Interests in Joint Ventures as prescribed under Section 133 of The Companies Act 2013 ('Act') read with rule 7 of The Companies (Accounts) Rules, 2014 and generally accepted accounting principles (GAAP).

b) Principles of Consolidation:

The consolidated financial statements have been prepared as per the following principles:-

- The financial statements of the company and its subsidiaries are combined on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealised profits or losses.
- The consolidated financial statements include the interest of the company in joint ventures, which has been accounted for using proportionate consolidation method of accounting and reporting whereby the company's share of each asset, liability, income and expense of a joint controlled entity is considered as a separate line item after eliminating proportionate share of unrealised profit in accordance with the Accounting Standard (AS-27) 'Financial Reporting of Interests in Joint Ventures'.
- The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statements except as otherwise stated in the notes to the accounts.

c) Difference in Accounting Policies and Impact thereon

For certain items the company and its Subsidiaries & joint ventures have followed different accounting policies. However the impact of the same is not material.

1.2 The Subsidiaries and Joint Venture Companies considered in the financial statements are as follows:-

(₹ in Crore)

Name of the Company	Proportion (%) of Share holding as on	Proportion (%) of Share holding as on
	31.03.2015	31.03.2014
Subsidiaries Incorporated in India		
1. Power System Operation Corporation Limited (POSOCO)	100%	100%
2. Powergrid NM Transmission Limited*	100%	100%
3. Powergrid Vemagiri Transmission Limited	100%	100%
4. Powergrid Vizag Transmission Limited	100%	100%
5. Powergrid Unchahar Transmission Limited	100%	100%
6. Powergrid Kala Amb Transmission Limited	100%	-
7. Vindhyachal Jabalpur Transmission Limited*	100%	-
Joint Ventures Incorporated in India		
1. Powerlinks Transmission Limited	49%	49%
2. Torrent Power Grid Limited*	26%	26%
3. Jaypee Powergrid Limited *	26%	26%
4. Parbati Koldam Transmission Company Limited*	26%	26%
5. Teestavalley Power Transmission Limited *	26%	26%
6. North East Transmission Company Limited*	26%	26%
7. National High Power Test Laboratory Private Limited	20%	20%
8. Energy Efficiency Services Limited *	25%	25%
9. Bihar Grid Company Limited *	50%	50%
10. Kalinga Vidyut Prasaran Nigam Private Limited*	50%	50%
11. Cross Border Power Transmission Company Limited	26%	26%
Joint Ventures Incorporated Outside India		
12. Power Transmission Company Nepal Ltd*	26%	-

* Financial statements used for consolidation are unaudited. Other Notes for one of the JV companies (Power Transmission Company Nepal Ltd), are not available and could not considered for consolidation.

OTHER NOTES (contd...)

Under the Transmission Service Agreement (TSA) with Powerlinks Transmission Ltd, the company has an obligation to purchase the JV company (Powerlinks Transmission Ltd) at a buyout price determined in accordance with the TSA. Such an obligation may result in case JV company (Powerlinks Transmission Ltd) serves a termination notice either on "POWERGRID event of default" or on "force majeure event" prescribed under TSA. No contingent liability on this account has been considered as the same is not ascertainable.

The company's share in assets, liabilities, contingent liabilities and capital commitment as on 31st March 2015 and income and expenses for the year in respect of above joint venture entities based on their accounts are given below:-

(₹ in Crore)

		31.03.2015	31.03.2014
A.	Assets		
	• Non Current Assets		
	• Fixed Assets	1766.63	1626.64
	• Long term loans and advances	85.77	22.98
	• Current Assets	333.96	232.04
	Total	2186.37	1881.66
B.	Liabilities		
	• Non current liabilities	1232.61	1077.78
	• Current Liabilities	236.33	145.56
	Total	1468.94	1223.34
C.	Contingent Liabilities	31.55	20.49
D.	Capital Commitments	579.59	148.40
		Current Year	Previous Year
E.	Income	328.36	282.91
F.	Expenses(Including provision for taxes)	203.21	201.59

1.3 The Company has made further investment of ₹ 14.71 crore (previous year ₹ 15.25 crore) in Parbati Koldam Transmission Company Limited, a Joint Venture Company in which 26% shares are held by the company and balance 74% shares is held by Reliance Infrastructure Limited.

1.4 The Company has made further investment of ₹ 9.03 crore (previous year ₹ 3.82 crore) in National High Power Test Laboratory Limited, a Joint Venture Company in which 20% shares are held by the company and balance shares are held by NTPC Limited, NHPC Limited, Damodar Valley Corporation & Central Power Research Institute equally.

1.5 The Company has made further investment of ₹ 10.00 crore (previous year ₹ Nil) in Bihar Grid Company Limited, a Joint Venture Company in which 50% shares are held by the company and balance 50% shares are held by Bihar State Power Holding Company Limited.

1.6 During the year company has made investment of ₹ 0.05 crore in Powergrid Kala Amb Transmission Limited. The Company was taken over from REC Transmission Projects Company Limited vide share purchase agreement dated 12th May, 2014 to carry over the business awarded under tariff based bidding. After the transfer Powergrid Kala Amb Transmission Limited becomes the wholly owned subsidiary company of the company.

1.7 During the year company has made investment of ₹ 0.05 crore in Vindhyachal Jabalpur Transmission Limited. The Company was taken over from REC Transmission Projects Company Limited vide share purchase agreement dated 26th February, 2015 to carry over the business awarded under tariff based bidding. After the transfer Vindhyachal Jabalpur Transmission Limited becomes the wholly owned subsidiary company of the company.

1.8 During the year company has made investment of ₹ 0.98 crore in Power Transmission Company Nepal Limited, a Joint Venture Company in which 26% shares are held by the company and balance 50% shares are held by Nepal Electricity Authority, 10% shares are held by IL&FS Energy Development Company Limited and 14% shares are held by Hydroelectricity Investment & development company Ltd.

1.9 The company has made further investment of ₹ 23.95 crore (previous year ₹ Nil) in Powergrid NM Transmission Limited which is wholly owned subsidiary company of the company.

1.10 The company has made further investment of ₹ 54.68 crore (previous year ₹ Nil) in Powergrid Vizag Transmission Limited which is wholly owned subsidiary company of the company.

2.34 Cash equivalent of deemed export benefits availed of ₹ 209.99 crore in respect of supplies affected for East South Inter Connector-II Transmission Project (ESI) and Sasaram Transmission Project (STP), were paid to the Customs and Central Excise Authorities in accordance with direction from Ministry of Power (Govt. of India) during 2002-03 due to non availability of World Bank loan for the entire supplies in respect of ESI project and for the supplies prior to March 2000 in respect of STP project and the same was capitalised in the books of account. Thereafter, World Bank had financed both the ESI project and STP project as originally envisaged and they became eligible for deemed export benefits. Consequently, the company has lodged claims with the Customs and Excise Authorities.

OTHER NOTES (contd...)

In this regard the Cumulative amount received and de-capitalized upto 31st March 2015 is ₹ 12.12 crore (Previous year ₹ 12.12 crore). The company continued to show the balance of ₹ 197.87 crore as at 31st March 2015 (Previous year ₹ 197.87 crore) in the capital cost of the respective assets / projects pending receipt of the same from Customs and Excise Authorities.

- 2.35 Out of the proceeds of Follow on Public Offer (FPO) made in Financial Year 2013-14, a sum of ₹ 2975 crore (Previous Year ₹ 2346.31 crore) has been utilised during the year for part financing of capital expenditure on the projects and general corporate purpose as per objects of the issue resulting in complete utilisation of funds amounting to ₹ 5321.31 crore raised through FPO.
- 2.36 a) Certain balances in Loans and Advances & Trade Payables are subject to confirmation and consequential adjustments, if any.
b) In the opinion of the management, the value of any of the assets other than fixed assets and non current investments on realization in the ordinary course of business will not be less than value at which they are stated in the Balance Sheet.
- 2.37 Extraordinary item during the year represents unclaimed advances from customers amounting to ₹ 5.13 crore lying since more than 3 years written back by one of the subsidiary company. Tax of ₹ 1.74 crore is included under current tax.
- 2.38 Information in respect of cost plus consultancy contracts, considering the same as consultancy business in view of Accounting Standard (AS)-7 (Revised 2002) "Construction Contracts " is provided as under :

(₹ in Crore)

	Particulars	Year ended 31 st March, 2015	Year ended 31 st March, 2014
i)	The amount of revenue recognised on cost plus consultancy contract works	286.65	259.08
ii)	The methods used to determine the contract revenue recognised 15% of total consultancy fees upto award stage to executing agencies (out of which 10% upto issue of notices inviting tenders), 85% with progress of work including supplies (Progress of work is taken as certified by engineer in charge).	Accounting Policy -1.13.8	Accounting Policy -1.13.8
iii)	Cumulative amount of costs incurred on construction contracts	13297.23	13123.72
iv)	Cumulative amount of advance received from customers as at the year end	15493.67	14648.74
v)	Amount of retention money with customers as at the year end	31.70	52.88
vi)	Gross amount due from customers for contract works as an asset as at the year end	44.28	75.72
vii)	Gross amount due to customers for contract works as a liability as at the year end	1312.14	943.96

- 2.39 The company has been entrusted with the responsibility of billing collection and disbursement (BCD) of the transmission charges on behalf of all the ISTS (Interstate transmission System) licensees through the mechanism of the POC (Point of Connection) charges introduced w.e.f. 01st July 2011 which involves billing based on approved drawl/injection of power in place of old mechanism based on Mega Watt allocation of power by Ministry of Power. By this mechanism, revenue of the company will remain unaffected.

Some of the beneficiaries aggrieved by the POC mechanism have preferred appeal before various High Courts of India. All such appeals have been transferred to Delhi High Court as per order of the Supreme Court on the appeal preferred by the company and company has also requested for directing agitating states to pay full transmission charges as per new methodology pending settlement of the matter. Honorable Delhi High Court has directed all the above beneficiaries to release payments and accordingly the beneficiaries have started making payments as per the said directions.

- 2.40 CERC issued tariff order dated 29.04.2011 in respect of Barh-Balia Transmission line considering the date of commercial operation (DOCO) on 01.07.10 in line with their Regulation. Against this tariff order, one of the beneficiaries filed appeal before the Appellate Tribunal for Electricity (ATE) challenging the tariff approved by CERC based on above DOCO claimed by the company. The ATE vide its order dated 02.07.2012 observed that the DOCO of 01.07.2010 was not appropriate as the appellant had reported that the transmission line was put in regular service from August 2011 i.e. when it was put in regular service when the other end in the scope of the generating company viz. NTPC was completed i.e. August 2011 though Company had completed its scope as on 01.07.2010. Accordingly, the ATE remanded CERC for redetermination of DOCO and tariff of the Transmission line. Upon this, the company filed an appeal in the Supreme Court explaining that the DOCO of 01.07.2010 was as per CERC Regulations. The Hon'ble Supreme Court on 15.03.2013 had stayed all the proceedings before the CERC for the said Transmission System based on the appeal filed by the Company.

The Company had also filed another petition on 28.02.2013 before the Central Electricity Regulatory Commission (CERC) for determination of revised transmission tariff on the basis of revised cost estimate approved by its Board of Directors. Subsequently on 08.10.2013, in its interim order, the Hon'ble Supreme Court has directed the CERC to proceed with determination of tariff for the said Transmission System pending disposal of the appeal regarding determination of DOCO date. The decision of redetermination of DOCO is awaited from CERC.

Since the decision of the date of DOCO is pending before the Supreme Court, and also considering that 01.07.2010 as the correct DOCO as per CERC Regulations, no adjustment has been made in respect of Revenue of ₹ 144.91 crore recognised for the period 01.07.2010 to 31.08.2011.

- 2.41 As per CERC Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters

OTHER NOTES (contd...)

Regulations, 2009 as amended from time to time, all transmission elements are constructed as per the requirement of the long term customers (LTA) up to 25 years and transmission charges are recoverable from such long term customers. For medium term open access (MTOA), no additional transmission element is constructed but only the existing surplus transmission capacities are utilised. The charges recovered from the MTOA customers, upon utilisation of the surplus capacity which is very small and temporary in nature, are used to reduce the charges of the LTA customers. The company is revenue neutral.

One of the MTOA customer, signed an agreement for MTOA for a period of 3 years from 16.06.2013 but did not utilise the capacity. The company, however, billed the customer as per the agreement. But the MTOA customer defaulted on its dues of ₹15.64 crore billed during the period from 16.06.2013 to 31.01.2014. Due to non-recovery of dues, the company has cancelled the MTOA w.e.f. 01.02.2014 as per order of the APTEL. The total transmission charges are being recovered from other customers since then. An application, filed by the company is pending before CERC for allowing recovery of the dues of such MTOA customer for the period from 16.06.2013 to 31.01.2014 from other customers during this period. The revenue of the company is not impacted (increase/decrease) due to grant of MTOA or cancellation thereof. Considering that the company is entitled to recover total transmission charges as per CERC sharing regulations, no provision has been made in the accounts for the year ended on 31.03.2015 towards the above dues of the MTOA charges for the period from 16.06.2013 to 31.01.2014

- 2.42 (i) FERV Loss of ₹ 510.41 crore (Previous Year ₹ 2258.15 crore) has been adjusted in the respective carrying amount of Fixed Assets/Capital work in Progress (CWIP)/lease receivables.
- (ii) FERV Gain of ₹ 12.44 crore (Previous Year FERV Loss ₹ 8.35 crore) has been recognised in the Statement of Profit and Loss.

2.43 Change in accounting policy/accounting practice

- a) During the Year, material for construction of Substations (including HVDC) is being transferred to Capital Work in Progress (CWIP) during the progress of erection work as against earlier practice of transferring the same on the completion of erection work. The change of practice has resulted in increase in CWIP amount by ₹ 234.43 Crore with corresponding reduction in Construction Stores.
- b) The Company has revised depreciation rates on certain fixed assets w.e.f. 01st April, 2014 as per useful life specified in schedule II of the Companies Act, 2013 as reassessed by the company. Accordingly, the company has accounted for additional depreciation charge of ₹22.31 Crore during the year ended 31st March, 2015 and ₹ 0.05 Crores (net of deferred tax) in reserves in terms of the transitional provisions of said schedule II. Thus, by charging depreciation at the revised depreciation rates, the depreciation charge for the year ended 31st March, 2015 is higher by ₹ 22.31 Crore and profit before tax for the year is lower by ₹ 22.31 Crore.

2.44 Borrowing cost capitalised during the year is ₹ 2492.66 crore (previous Year ₹ 2319.59 crore) as per AS 16- "Borrowing Cost".

2.45 Based on information available with the company, there are few suppliers/service providers who are registered as micro, small or medium enterprise under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006). Information in respect of micro and small enterprises as required by MSMED Act, 2006 is given as under:

(₹ in Crore)

Sr. No	Particulars	Current Year	Previous Year
1	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year:		
	Principal	0.02	9.25
	Interest	0.06	0.05
2	The amount of Interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
3	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil
4	The amount of interest accrued and remaining unpaid at the end of each accounting year.	0.06	Nil
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act 2006	Nil	Nil

OTHER NOTES (contd...)

2.44 Disclosures as per Accounting Standard (AS) 15 -"Employee Benefits"

Defined employee benefit/ contribution schemes are as under:-

A. Provident Fund

Company pays fixed contribution to Provident Fund at predetermined rate to a separate trust, which invests the funds in permitted securities. Contribution to family pension scheme is paid to the appropriate authorities. The contribution to the fund and EPS Scheme for the year amounting to ₹76.92 crore(previous year ₹75.36 crore) has been recognized as expense and is charged to Statement of Profit and Loss. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of interest on contributions to the members as specified by GOI. As per the report of actuary over all interest earning and cumulative surplus 'is more' than statutory interest payment requirement. Hence, no further provision is considered necessary.

B. Gratuity

The company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus, dearness allowance) for each completed year of service on superannuation, resignation, termination, disablement or on death subject to a maximum of ₹ 10 lacs. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

C. Pension

The Company has scheme of employees defined Pension Contribution. Company contribution is paid to separate trust. Amount of contribution paid/payable for the year is ₹ 76.76 crore (Previous Year ₹ 63.46 crore) has been recognised as expense and is charged to statement of profit & loss. In addition to above provision for additional contribution of ₹ 87.28 crore for the period from January 2007 to March 2012 has been made during the year as approved by the management.

D. Post-Retirement Medical Facility (PRMF)

The company has Post-Retirement Medical Facility (PRMF), under which retired employees and the spouse are provided medical facilities in the empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the company. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

E. Leave Encashment

The Company provides for earned leave benefit (including compensated absences) and half-pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave is en-cashable while in service. Half-pay leaves (HPL) are en-cashable only on separation beyond the age of 55 years up to the maximum of 300 days (HPL). However, total amount of leave that can be encashed on superannuation shall be restricted to 300 days and no commutation of half-pay leave shall be permissible. The liability for the same is recognised on the basis of actuarial valuation

F. Other Defined Retirement Benefits (ODRB)

The Company has a scheme for settlement at the time of superannuation at home town for employees and dependents to superannuated employees. The scheme is unfunded and liability for the same is recognised on the basis of actuarial valuation on annual basis on the Balance Sheet date.

The above schemes (D,E and F) are unfunded.

G. The summarised position of various defined benefits recognized in the Statement of Profit & Loss and Balance Sheet is as under:-

a) Expenses recognised in Statement of profit and loss:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	25.09	22.32	8.64	7.62	20.52	19.25	0.78	0.77
Interest cost on benefit obligation	38.56	33.03	19.65	15.22	26.72	22.27	1.28	1.13
Expected return on plan assets	(35.91)	(34.62)	-	-	-	-	-	-
Net actuarial (gain)/loss recognized in the year	(0.26)	5.22	17.53	23.32	56.31	81.88	(0.45)	(0.50)
Expenses recognized in the Statement of profit and loss	27.48	25.95	45.82	46.16	103.55	123.40	1.61	1.40

b) Actual return on plan assets is ₹ 38.99 crore (previous year ₹ 37.15 crore)

c) The amount recognized in the Balance Sheet:

OTHER NOTES (contd...)

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(i) Present value of obligation as at the year end	493.31	453.65	270.81	231.28	350.06	333.32	16.00	15.11
(ii) Fair value of plan assets as at the year end	494.79	448.91	-	-	-	-	-	-
Difference (ii) – (i)	1.48	(4.74)	(270.81)	(231.28)	(350.06)	(333.32)	(16.00)	(15.11)
Net asset (liability) recognized in the Balance Sheet	1.48	(4.74)	(270.81)	(231.28)	(350.06)	(333.32)	(16.00)	(15.11)

d) Changes in the present value of the defined benefit obligations:

(₹ in Crore)

Description	GRATUITY		PRMF		Leave		ODRB	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Present value of obligation as at the beginning of the year	453.65	412.88	231.28	190.32	333.32	278.43	15.11	14.23
Interest cost	38.56	33.03	19.65	15.22	26.72	22.27	1.28	1.13
Current Service Cost	25.09	22.32	8.64	7.62	20.52	19.25	0.78	0.77
Benefits paid	(29.08)	(22.35)	(6.30)	(5.20)	(86.83)	(68.52)	(0.72)	(0.52)
Net actuarial (gain)/loss on obligation	5.04	7.77	17.53	23.32	56.31	81.88	(0.45)	(0.50)
Present value of the defined benefit obligation as at the end of the year	493.26	453.65	270.81	231.28	350.06	333.32	16.00	15.11

e) Changes in the fair value of plan assets:

(₹ in Crore)

Particulars	GRATUITY	
	Current Year	Previous Year
Fair value of plan assets as at beginning of the year	448.91	407.23
Expected return on plan assets	35.91	34.62
Contribution by employer	33.76	26.80
Benefits paid	(29.08)	(22.35)
Actuarial gain/(loss)	5.29	2.55
Fair value of plan assets as at end of the year	494.79	448.91

H. Other Employee Benefits

Provision for Long Service Award amounting to ₹ 1.24 crore (Previous Year ₹ 0.84 crore) have been made on the basis of actuarial valuation at the year end.

I. Details of the Plan Asset (Gratuity)

The details of the plan assets at cost are as follows:-

(₹ in Crore)

Sr. No	Description	(At Purchase Value)	
		As at 31 March 2015	As at 31 March 2014
i)	State Government Securities	96.14	83.71
ii)	Central Government Securities	121.24	106.63
iii)	Corporate Bonds/Debentures	254.32	237.94
iv)	RBI Special Deposit	5.13	5.13
v)	Other Assets	17.96	15.50
	Total:-	494.79	448.91

OTHER NOTES (contd...)

J. Actuarial Assumptions

Principal assumptions used for actuarial valuation are:

- i) Method used - Projected unit credit (PUC) (Previous Year (PUC))
- ii) Discount rate - 8.00% (previous Year 8.50 %)
- iii) Expected rate of return on assets (Gratuity only) – 8.00 % (previous Year 8.50%)
- iv) Future salary increase- 6.50% (previous Year 6.50%)

The estimate of future salary increases, considered in actuarial valuation, takes into account (i) inflation, (ii) Seniority (iii) Promotion and (iv) Other relevant factors, such as supply and demand in the employment market. Further the expected return on plan assets is determined considering several applicable factors mainly the composition of plan assets, assessed risk of asset management and historical return for plan assets.

K. The Company's best estimate of contribution towards gratuity for the financial year 2015-16 is ₹ 1.51 crore (previous year ₹ 4.68 crore)

L. The effect of the percentage point increase/decrease in the medical cost of PRMF will be as under:-

(₹ in Crore)

Description	Increase by		Decrease by	
	Current Year	Previous Year	Current Year	Previous Year
Service and Interest Cost	5.26	12.22	(4.37)	(15.61)
Present value of obligation	60.24	41.54	(24.38)	(26.72)

M. Experience Adjustments

(₹ in Crore)

Description	Year ended 31.03.2015	Year ended 31.03.2014
Gratuity		
i) Plan assets – Loss/(Gain)	3.03	2.54
ii) Obligation- Loss/(Gain)	7.72	(8.04)
PRMF		
Obligation – Loss/(Gain)	(10.44)	(23.65)
ODRB		
Obligation – Loss/(Gain)	0.90	1.41
Leave		
Obligation – Loss/(Gain)	(50.97)	(78.05)

2.47 Segment information (AS 17):

a) Business Segments

The company's principal business is transmission of bulk power across different States of India. However, telecom and consultancy business are also treated as a reportable segment in accordance with para 28 of AS-17 "Segment Reporting".

b) Segment Revenue and Expense

Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as segment expenses.

c) Segment Assets and Liabilities

Segment assets include all operating assets comprising of net fixed assets, current assets and loan and advances. Construction work-in-progress, construction stores & advances and investments are included in unallocated assets. Segment liabilities include operating liabilities and provisions.

OTHER NOTES (contd...)

Segment Reporting

(₹ in Crore)

Particulars	Transmission		Consultancy		Telecom		Elimination		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue:										
Revenue from Operations (including allocable other income)	17229.88	14985.96	392.33	635.07	276.37	277.16			17898.58	15898.19
Inter Segment Revenue					24.39	11.05	-24.39	-11.05		
Net Revenue from Operations	17229.88	14985.96	392.33	635.07	300.76	288.21	-24.39	-11.05	17898.58	15898.19
Segment results	9832.59	9004.16	255.15	280.05	63.14	93.73			10150.88	9377.94
Unallocated Interest and Other Income									334.46	247.93
Unallocated Finance Costs									4081.23	3266.87
Profit before Tax									6404.11	6359.00
Provision for Taxes									1357.86	1811.42
Profit after Tax									5046.25	4547.58
Other information:										
Segment Assets	100905.24	82104.20	1175.89	850.97	800.82	853.11			102881.95	83808.28
Unallocated Assets									57882.33	57681.46
Total Assets									160764.28	141489.74
Segment Liabilities:	7630.83	6585.20	1873.96	1478.37	550.09	475.86			10054.88	8539.43
Unallocated Other Liabilities (including loans)									112270.67	98252.37
Total liabilities									122325.55	106791.80
Depreciation and Amortisation	5080.77	4024.07	2.26	0.44	90.30	69.72			5173.33	4094.23
Non-cash expenditure other than Depreciation	24.50	28.19	0.46		19.57				44.53	28.19
Capital Expenditure	30230.91	28766.45	39.80	1.37	53.82	79.75			30324.53	28847.57

d) The operation of the company mainly carried out within the country and therefore there is no reportable geographical segment.

2.48 Disclosure as per AS -20 "Earning Per Share"

The elements considered in calculation of Earning Per Share (Basic and Diluted) are as under:

Particulars	Before Extraordinary Item		After Extraordinary Item	
	Current Year	Previous Year	Current Year	Previous Year
Net Profit after tax used as numerator (₹ in crore)	5042.86	4547.58	5046.25	4547.58
Weighted average number of equity shares used as denominator	5231589648	4804513340	5231589648	4804513340
Earning per share (Basic & Diluted) (in ₹)	9.64	9.47	9.65	9.47
Face Value per share in ₹	10.00	10.00	10.00	10.00

2.49 Disclosure as per AS 18- "Related Party Disclosure"

a) List of Related Parties:-

i) Key Management Personnel

Sh. R.N. Nayak	Chairman and Managing Director
Sh. I.S. Jha	Director (Projects)
Sh. R.T. Agarwal	Director (Finance)
Sh. Ravi P Singh	Director(Personnel)
Sh. R.P. Sasmal	Director(Operations)
Smt. Divya Tandon	Company Secretary



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OTHER NOTES (contd...)

ii) Joint Ventures:-

- i) Powerlinks Transmission Limited
- ii) Torrent Power Grid Limited
- iii) Jaypee Powergrid Limited
- iv) Parbati Koldam Transmission Company Limited
- v) Teestavalley Power Transmission Limited
- vi) North East Transmission Company Limited
- vii) National High Power Test Laboratory Private Limited
- viii) Energy Efficiency Services Limited.
- ix) Bihar Grid Company Limited
- x) Kalinga Bidyut Prasaran Nigam Private Limited
- xi) Cross Border Power Transmission Company Limited
- xii) Power Transmission Company Nepal Ltd

b) Transactions with the related parties at 2.49 (a) above during the year are as follows:

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions for services received by the company		-		0.44
North East Transmission Company Limited	-		0.19	
Bihar Grid Company Limited	-		0.25	
Transactions for services provided by the company		47.70		30.21
Parbati Koldam Transmission Company Limited	-		2.07	
Torrent Power Grid Limited	-		0.03	
Jaypee Powergrid Limited	0.19		0.32	
North East Transmission Company Limited	18.39		13.21	
National High Power Test Laboratory Private Limited	7.93		8.31	
Powerlinks Transmission Limited	-		0.09	
Energy Efficiency Services Limited	0.24		0.05	
Cross Border Power Transmission Company Limited	3.94		6.13	
Bihar Grid Company Limited	16.76		-	
Kalinga Bidyut Prasaran Nigam Private Limited	0.25		-	
Amount recoverable at the end of the year		34.98		22.71
Parbati Koldam Transmission Company Limited	0.01		0.01	
Torrent Power Grid Limited	-		0.07	
North East Transmission Company Limited	22.21		16.09	
National High Power Test Laboratory Private Limited	4.19		0.09	
Energy Efficiency Services Limited	0.25		0.11	
Bihar Grid Company Limited	7.08		2.38	
Kalinga Bidyut Prasaran Nigam Private Limited	0.84		0.65	
Cross Border Power Transmission Company Limited	0.30		3.29	
Powerlinks Transmission Limited	0.10		0.01	
Jaypee Powergrid Limited	-		0.01	
Amount recoverable at the end of the year		48.23		12.57
Parbati Koldam Transmission Company Limited	0.09		0.09	
Jaypee Powergrid Limited	-		0.13	
North East Transmission Company Limited	-		1.25	

OTHER NOTES (contd...)

(₹ in Crore)

Description	Current Year		Previous Year	
National High Power Test Laboratory Private Limited	-		7.99	
Powerlinks Transmission Limited	2.78		3.11	
Bihar Grid Company Limited	3.28		-	
Cross Border Power Transmission Company Limited	1.70		-	
Teestavalley Power Transmission Limited	40.38		-	
Investment made during the year				
Equity		34.72		39.60
Teestavalley Power Transmission Limited	-		15.60	
Parbati Koldam Transmission Company Limited	14.71		15.25	
Cross Border Power Transmission Company Limited			4.93	
Bihar Grid Company Limited	10.00		-	
National High Power Test Laboratory Private Limited	9.03		3.82	
Power Transmission Company Nepal Limited	0.98		-	
Dividend Received		80.04		65.64
Powerlinks Transmission Limited	44.14		51.60	
Jaypee Powergrid Limited	12.87		9.36	
Torrent Power Grid Limited	1.64		4.68	
North East Transmission Company Limited	21.39		-	
Recovery for Deputation of Employees		0.67		0.40
Energy Efficiency Services Limited	0.02		-	
Bihar Grid Company Limited	0.35		-	
Cross Border Power Transmission Company Limited	0.30		0.33	
Parbati Koldam Transmission Company Limited	-		0.07	

- c) As per Central Electricity Regulatory commission (CERC) (Sharing of Interstate Transmission charges and losses) Regulation 2010, the Company being the Central Transmission Utility (CTU) under the regulation is entrusted with the responsibility of the Billing, Collection and Disbursement of Transmission charges on behalf of all Inter State Transmission System (ISTS) licensee. Accordingly, the transactions of the company for collection made in capacity of CTU for the related parties is as under:

(₹ in Crore)

Description	Current Year		Previous Year	
Transactions of the company in capacity of CTU with the related parties		789.29		803.94
Parbati Koldam Transmission Company Limited	21.73		0.24	
Torrent Power Grid Limited	55.70		88.86	
Jaypee Powergrid Limited	190.37		230.24	
North East Transmission Company Limited	261.91		206.42	
Powerlinks Transmission Limited	259.58		278.18	

- d) Remuneration to whole time directors including chairman and managing director and Company Secretary is ₹ 2.90 crore (previous year ₹2.21 crore) and amount of dues outstanding to the company as on 31st March, 2015 are ₹ 0.19 crore (previous year ₹ 0.09 crore).

OTHER NOTES (contd...)

2.50 Disclosure as per AS 19-“Leases”

a) Finance Leases :-

Long Term Loans and Advances and Short Term Loans and Advances include lease receivables representing the present value of future lease rentals receivable on the finance lease transactions entered into by the company with the constituents in respect of State Sector ULDC. Disclosure requirements of Accounting Standard (AS) – 19 “Leases” notified under the Companies Act, 2013 are given as under:

- (i) The reconciliation of the lease receivables (as per project cost data submitted to / approved by the CERC for tariff fixation) is as under:

(₹ in Crore)

	Particulars	Current Year	Previous Year
	Gross value of assets acquired and leased at the beginning of the year	1099.56	1063.93
Add	Adjustment for gross value of assets acquired prior to the beginning of the year	21.92	(1.64)
	Revised Gross value of the assets at the beginning of the year	1121.48	1062.29
Less	Capital recovery provided up to the beginning of the year	706.45	642.89
Add	Capital recovery for assets acquired prior to the beginning of the year	6.65	1.88
	Revised Capital recovery provided up to the beginning of the year	713.10	644.77
	Capital recovery outstanding as on 31 st March of last financial year	408.38	417.52
Add	Gross value of assets acquired and leased during current financial year	32.60	37.27
Less	Capital recovery for the current year	69.16	61.67
	Lease receivables at end of the year	371.82	393.12

- (ii) Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year is given as under:

(₹ in Crore)

Particulars	Current Year	Previous Year
Gross investment in Lease	529.24	545.21
Un-earned Finance Income	157.42	152.09
Present value of Minimum Lease Payment (MLP)	371.82	393.12

- (iii) The unearned finance income as at 31st March, 2015 is ₹ 157.42 crore (previous year ₹ 152.09 crore).

- (iv) The value of contractual maturity of such leases as per AS-19 are as under :

(₹ in Crore)

Particulars	Gross Investment in Lease		Present Value of MLPs	
	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2015	As at 31 st March, 2014
Not later than one year	101.35	98.31	73.67	66.91
Later than one year and not later than five years	245.46	287.20	173.49	214.76
Later than five years	182.43	159.70	124.66	111.45
Total	529.24	545.21	371.82	393.12

- (v) There are differences in balance of lease receivable as at year end as per accounts and tariff records on account of :

- (a) Undischarged liabilities amounting to ₹17.33 crore (Previous Year ₹ 79.62 crore). Such cost become part of project cost only on discharge of such liabilities.
- (b) Unamortized FERV on loans included in lease receivable amounting to ₹ 61.14 crore (Previous Year ₹ 62.91 crore). Such FERV are allowed to be recovered as part of tariff on actual payment basis

b) Operating leases:-

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and guest houses/transit camps are usually renewable on mutually agreed terms but are not non-cancellable. Employees' remuneration and benefits include ₹ 36.36 crore (previous Year ₹ 38.19 crore) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments of ₹ 12.57 crore (previous Year ₹ 11.99 crore) in respect of premises for offices and guest house/transit camps are shown under the head Rent in Note 2.30 Transmission, Administration and Other expenses.

OTHER NOTES (contd...)

2.51 Disclosure as per AS 28-“ Impairment of assets”

In accordance with Accounting Standard (AS-28) “Impairment of Assets”, the company has assessed as on the Balance Sheet date whether there are any indications with regard to impairment of any of the assets. Based on such assessment, it has been ascertained that no potential loss is present. Accordingly, no impairment loss has been provided in the books of accounts.

2.52 Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 26100.90 crore (previous year ₹ 30998.64 crore).

2.53 Contingent Liabilities

1. Claims against the Company not acknowledged as debts in respect of :

(i) Capital Works

Some of the contractors for supply and installation of equipments and execution of works at our projects have lodged claims on the company for ₹ 219.14 crore (previous year ₹ 211.73 crore) seeking enhancement of the contract price, revision of work schedule with price escalation, compensation for the extended period of work, idle charges etc. These claims are being contested by the Company as being not admissible in terms of the provisions of the respective contracts.

The company is pursuing various options under the dispute resolution mechanism available in the contract for settlement of these claims. It is not practicable to make a realistic estimate of the outflow of resources, if any, for settlement of such claims pending resolution.

(ii) Land Compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 2258.43 crore (previous year ₹ 2393.45 crore) has been estimated.

(iii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 44.09 crore (previous year ₹5.80 crore) has been estimated.

(iv) Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters

Disputed Income Tax/Sales Tax/Excise/Municipal Tax Matters amounting to ₹ 896.76 crore (previous year ₹ 481.01 crore) are pending before various Appellate Authorities and contested before various Appellate Authorities. Many of these matters are disposed off in favour of the company but are disputed before higher authorities by the concerned departments.

(v) Others

a) Other contingent liabilities amounts to ₹ 319.54 crore (previous year ₹ 799.73 crore)

b) Some of the beneficiaries have filed appeals against the tariff orders of the CERC. The amount of contingent liability in this regard is not ascertainable.

2. Special purpose vehicle (SPV) companies (wholly owned subsidiaries) namely Powergrid NM Transmission Company Ltd. (erstwhile Nagapattinam Madugiri Transmission Company Ltd.) , Powergrid Vemagiri Transmission Company Ltd. (erstwhile Vemagiri Transmission System Limited), Powergrid Vizag Transmission Limited (erstwhile Vizag Transmission Limited), Powergrid Unchahar Transmission Limited (erstwhile Unchahar Transmission Limited), Powergrid Kala Amb Transmission Limited and Vindhyachal Jabalpur Transmission Limited has been taken over to carry over the business awarded under Tariff based bidding. Details of Bank guarantees given by the company on behalf of SPV companies towards performance of the work awarded are as under:

(₹ in Crore)

Sr no	Name of SPV	31.03.2015	31.03.2014
1	Powergrid NM Transmission Company Ltd (erstwhile Nagapattinam Madugiri Transmission Company Ltd.)	45.00	45.00
2	Powergrid Vizag Transmission Company Ltd (erstwhile Vizag Transmission Limited)	45.00	45.00
3	Powergrid Unchahar Transmission Company Ltd (erstwhile Unchahar Transmission Limited)	5.40	5.40
4	Powergrid Kala Amb Transmission Limited (erstwhile NRSS XXXI Transmission Limited)	5.96	-
5	Vindhyachal Jabalpur Transmission Limited	31.50	-

OTHER NOTES (contd...)

2.54 Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise

Particulars		Amount in Foreign Currency (in Crore)		Amount (₹ in Crore)	
		31.03.2015	31.03.2014	31.03.2015	31.03.2014
Borrowings	USD	412.01	392.98	26034.82	23818.26
	EURO	4.33	3.72	297.12	310.83
	SEK	250.27	166.81	1841.97	1564.69
	JPY	218.13	236.30	115.04	139.77
Interest accrued but not due thereon including Agency Fee Commitment Fee & other Charges.	USD	0.94	0.96	59.54	58.05
	EURO	0.02	0.01	1.04	1.00
	SEK	1.16	1.00	8.51	9.37
	JPY	0.55	0.60	0.29	0.35
Trade Payables/deposits and retention money	USD	10.79	93.28	679.18	1113.01
	EURO	7.92	3.53	543.63	270.20
	SEK	114.61	87.24	843.58	817.81
	CHF	0.03	0.04	1.51	2.57
	GBP	0.64	0.00	58.71	0.07
Trade receivables and Bank balances	USD	0.22	-	13.78	-
	NPR	0.07	-	0.04	-
Unexecuted amount of contracts remaining to be executed	USD	23.44	204.05	1480.92	1809.99
	EURO	10.00	8.25	685.92	575.59
	SEK	25.80	142.61	189.89	1337.80
	CHF	0.90	0.00	54.14	0.90
	GBP	18.66	8.25	1709.07	833.99

2.55 Human Resource and Operation & Maintenance Expense components of tariff are accounted on the basis of actual expenditure in one of the subsidiaries. These expense incurred are allowed as per CERC Regulations subject to truing up after the end of control period i.e 2009-14. On the petition filed by the company, CERC vide order dated 28th September 2012 has directed that "Any additional legitimate HR expenses over and above that approved by the Commission in its various tariff orders may be temporarily met by the petitioner out of the LDC Development Fund which will be recouped at the time of truing up." Accounting of these expenditures are in accordance with the opinion given by the Expert Advisory Committee of the ICAI.

2.56 Additional Information as required under Schedule III of The Companies Act 2013:

Sr No	Power Grid Corporation of India Limited	Net assets i.e assets minus total Liabilities				Share in profit or loss			
		2014-15		2013-14		2014-15		2013-14	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)
	Parent								
1	Power Grid Corporation of India Limited	97.35%	37419.69	97.46%	33817.03	96.57%	4873.08	96.90%	4406.48
	Subsidiaries- Indian								
1	Power System Operation Corporation Limited	0.63%	242.08	0.64%	222.35	0.95%	48.03	1.31%	59.79
2	Powergrid NM Transmission Company Ltd	0.06%	24.00	0.00%	0.05	0.00%	-	0.00%	-
3	Powergrid Vimagiri Transmission Company Ltd	(0.05)%	(19.37)	0.00%	0.05	0.00%	-	0.00%	-
4	Powergrid Vizag Transmission Company Ltd	0.14%	54.73	0.00%	0.05	0.00%	-	0.00%	-
5	Powergrid Unchahar Transmission Company Ltd	0.00%	0.05	0.00%	0.05	0.00%	-	-	-
6	Powergrid Kala Amb Transmission Limited (erstwhile NRSS XXXI Transmission Limited)	0.00%	0.05	-	-	0.00%	-	-	-
7	Vindhyachal Jabalpur Transmission Limited	0.00%	0.05	-	-	0.00%	-	-	-
	Joint Ventures-Indian								
1	Powerlinks Transmission Limited	0.68%	261.66	0.75%	260.41	1.09%	54.93	1.22%	55.33
2	Torrent Power Grid Limited	0.07%	28.52	0.08%	26.98	0.07%	3.61	0.07%	3.04

OTHER NOTES (contd...)

Sr No	Power Grid Corporation of India Limited	Net assets i.e assets minus total Liabilities				Share in profit or loss			
		2014-15		2013-14		2014-15		2013-14	
		As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated net assets	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)	As % of consolidated profit or loss	Amount (₹ in crore)
3	Jaypee Powergrid Limited	0.23%	87.07	0.25%	87.47	0.35%	17.76	0.31%	13.98
4	Parbati Koldam Transmission Company Ltd	0.19%	71.64	0.17%	59.70	0.02%	1.12	0.00%	(0.04)
5	Teestavalley Power Transmission Limited	0.12%	46.72	0.14%	47.10	0.00%	(0.07)	0.00%	0.21
6	North East Transmission Company Limited	0.40%	152.52	0.38%	130.67	0.90%	45.19	0.18%	8.03
7	National High Power Test Laboratory Private Limited	0.06%	21.64	0.04%	14.42	0.00%	-	0.00%	-
8	Energy Efficiency Services Limited	0.07%	28.73	0.08%	26.73	0.05%	2.59	0.02%	0.84
9	Bihar Grid Company Limited	0.03%	10.03	0.00%	0.03	0.00%	0.00	0.00%	-
10	Kalinga Vidyut Prasaran Nigam Private Limited	0.00%	0.01	0.00%	0.01	0.00%	0.00	0.00%	-
11	Cross Border Power Transmission Company Limited	0.01%	5.74	0.01%	4.84	0.00%	0.01	0.00%	(0.08)
	Joint Ventures-Foreign								
1	Power Transmission Company Nepal Limited	0.01%	3.17	-	-	0.00%	-	-	-
	Total		38438.73		34697.94		5046.25		4547.58

- 2.57** a) Figures have been rounded off to nearest rupees in crore up to two decimal.
b) Previous year figures have been regrouped / rearranged wherever considered necessary.

For and on behalf of the Board of Directors

(Divya Tandon)
Company secretary

(R.T. Agarwal)
Director (Finance)

(R. N. Nayak)
Chairman & Managing Director

For S.K. Mehta & Co.
Chartered Accountants
Firm Regn No. 000478 N

As per our report of even date
For Chatterjee & Co.
Chartered Accountants
Firm Regn No. 302114 E

For Sagar & Associates
Chartered Accountants
Firm Regn No. 003510 S

(CA Puneet Harjai)
Partner
Membership No. 095715

(CA S.K.Chatterjee)
Partner
Membership No. 003124

(CA D. Manohar)
Partner
Membership No. 029644

Place: New Delhi
Date: 30th May, 2015



INDEPENDENT AUDITORS' REPORT

To the Members of Power Grid Corporation of India Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Power Grid Corporation of India Limited** (hereinafter referred to as "the Holding Company") and its seven subsidiaries (The holding company and its subsidiaries together referred to as "the Group") and twelve jointly controlled companies, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled companies in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our **qualified** audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

- i) *The company has not made any adjustment in respect of revenue of ₹144.91 crore recognized for the period 01.07.2010 to 31.08.2011 in respect of Barh-Balia Transmission line, wherein company appeal is pending with Hon'ble Supreme Court against the order of Appellate Tribunal for Electricity (ATE) to re-determine the Date of Commercial Operation (DOCO), refer note 2.40. Pending decision of Hon'ble Supreme Court, and determination of DOCO by CERC and in view of uncertainty involved, in our opinion, provision should have been made for the revenue recognized for the period under dispute. This has resulted in increase of Profit before tax for the year by ₹109.70 crore and increase in Current Assets by ₹109.70 crore.*
- ii) *The Company has not made any provision in respect of outstanding dues of ₹15.64 crore from one of the medium term open access customers, which is under liquidation, under an order of the Hon'ble High Court at Calcutta, refer note 2.41. Moreover, no favourable order has been received in respect of Company's petition before the Central Electricity Regulatory Commission for allowing the recovery of such dues from other beneficiaries. As the recovery of such dues is doubtful, in our opinion, the provision should have been made in the accounts. This has resulted in increase of Profit before tax for the year by ₹11.84 crore and increase in Current Assets by ₹11.84 crore.*
- iii) *Furthermore, as a result of non-provisions mentioned in our qualification Nos. i) and ii) stated above, there are impact on various heads in the financial statements, the aggregate impact of all the above is as under:*

Sl.	Particulars	Increase (₹ Crore)	Decrease (₹ Crore)
1	Revenue from operation		37.45
2	Employee Benefit Expenses	1.56	
3	Transmission, administration and other expenses		160.55
4	Profit Before Tax	121.54	
5	Tax Expenses		8.15
6	Profit After Tax	129.69	
7	Reserves & Surplus and Shareholders' Fund	129.69	
8	Short-term Provisions		5.75
9	Capital work in progress	0.84	
10	Trade Receivable	160.55	
11	Other Current Assets		37.45

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its twelve jointly controlled companies, *incorporated in India as at 31st March, 2015* and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to the note no. 2.25 (b) to the financial statements, in respect of provisional recognition of revenue from transmission charges.

Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements of five subsidiaries and three jointly controlled companies, whose financial statements reflect total assets as on 31st March, 2015, total revenues and net cash flows for the year ended on that date, as considered in the consolidated financial statements are given below:

(₹ in Crores)

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
Subsidiaries:			
Power System Operation Corporation Limited	1,037.51	249.84	299.92
Powergrid Vimagiri Transmission Limited	* -	0	* -
Powergrid Vizag Transmission Limited	310.67	0	1.72
Powergrid Unchahar Transmission Limited	3.00	0	0
Powergrid Kala Amb Transmission Limited	4.13	0	* -
Jointly Controlled Companies:			
National High Power Test Lab Private Limited	46.88	0	3.07
Powerlinks Transmission Limited	539.12	126.41	(2.35)
Cross Border Power Transmission Limited	40.45	0.02	0.61
Total	1,981.76	376.27	302.97

*Less than ₹ 0.01 Crore

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled companies and our report, in terms of sub-sections (3), (5) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled companies is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of two subsidiaries and nine jointly controlled companies, whose financial statements reflect total assets as on 31st March, 2015, total revenues and net cash flows for the year ended on that date, as considered in the consolidated financial statements are given below:

(₹ in Crores)

Name of the Companies	Total Assets	Total Revenues	Net Cash Flows
Subsidiaries:			
Powergrid NM Transmission Limited	197.56	0	*-
Vindhyachal Jabalpur Transmission Limited	18.39	0	*-
Jointly Controlled Companies:			
Power Transmission Company Nepal Limited	10.72	0	1.14
North East Transmission Company Limited	658.52	97.02	41.53
Parbati Koldam Transmission Company Limited	252.55	19.71	(3.49)
Teestavalley Power Transmission Limited	202.28	0	8.61
Energy Efficiency Services Limited	79.00	17.57	7.04
Jaypee Powergrid Limited	253.38	51.99	(2.49)
Torrent Powergrid Limited	68.94	15.64	(3.91)
Bihar Grid Company Limited	33.92	0	0.11
Kalinga Bidyut Parasaran Nigam Private Limited	0.59	0	0
Total	1,775.85	201.93	48.54

*Less than ₹ 0.01 Crore

These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled companies and our report in terms of sub-sections (3), (5) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and jointly controlled companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the holding company its five subsidiaries and three jointly controlled companies incorporated in India, we give in the Annexure '1' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- In terms of sub section (5) of section 143 of the Companies Act, 2013, we give in the Annexure'2' a statement on the directions issued to the Group and six jointly controlled companies, under the aforesaid section by the Comptroller and Auditor General of India.
- As required by section 143 (3) of the Act, we report that:
 - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, except for the *effect of the matters described in the Basis for Qualified Opinion paragraph above*, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.
 - On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of five subsidiary companies and three jointly controlled companies incorporated in India, none of the directors of the Holding Company its five subsidiaries, and three jointly controlled companies incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclosed the impact of pending litigations on the consolidated financial position of the Group and its jointly controlled companies - Refer Note 2.40, 2.41 and 2.53 to the consolidated financial statements.
- ii. The Group and its jointly controlled companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group and its jointly controlled companies.

For S.K.MEHTA & CO.

Chartered Accountants
Firm Registration No.000478N

For CHATTERJEE & CO.

Chartered Accountants
Firm Registration No. 302114E

For SAGAR & ASSOCIATES

Chartered Accountants
Firm Registration No. 003510S

(CA Puneet Harjai)

Partner
Membership No.095715

(CA S.K.Chatterjee)

Partner
Membership No.003124

(CA D. Manohar)

Partner
Membership No.029644

Place of Signature: New Delhi

Date: 30th May, 2015

Annexure '1' referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited**, on the Consolidated financial statements, for the year ended 31st March, 2015, to the extent applicable, we report that:

- (i) a) The holding company, its five subsidiaries and three jointly controlled companies have generally maintained records, showing full particulars including quantitative details and situation of Fixed Assets.
- b) The fixed assets of the holding company, its five subsidiaries and three jointly controlled companies have been physically verified by the management during the year and discrepancies, though not material, noticed on such verification have been reconciled/adjusted in the books of account. In our opinion, frequency of verification is reasonable having regard to the size of the holding company its five subsidiaries and three jointly controlled companies and nature of their assets.
- (ii) a) Physical verification of inventories has generally been conducted on periodic intervals. In our opinion system and frequency of verification is reasonable.
- b) In our opinion, the procedures of physical verification of inventories, followed by the Management are reasonable and adequate in relation to the size of the holding company, its five subsidiaries and three jointly controlled companies and the nature of their business.
- c) In our opinion, the holding company, its five subsidiaries and three jointly controlled companies have maintained proper records of its inventory. The discrepancies noticed on physical verification of the inventories, though not material, have been properly dealt with in the books of account.
- (iii) During the year the Holding Company has granted unsecured loans amounting to ₹229.70 crore to two wholly owned subsidiaries covered in the register maintained under section 189 of the Companies Act, 2013('the Act'). Outstanding balance as on 31st March 2015 is ₹229.70 crore.
 - a) Principal amount and interest are not yet due as per the terms of the loans.
 - b) Since receipt of principal amount and interest are not due, question of overdue amount of more than rupee one lakh does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of the holding company, its five subsidiaries and three jointly controlled companies and the nature of its business, with regard to purchase of inventory and fixed assets and income from sales of services and goods. During the course of our audit, no continuing failure to correct major weaknesses in the underlying internal control systems was observed. However process of contract closing work in the holding company needs to be expedited.
- (v) Since the holding company its five subsidiaries and three jointly controlled companies have not accepted any deposit from public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or other relevant provisions of the Companies Act, 2013, and rules framed there under, does not arise
- (vi) Cost records are maintained by the holding company, its five subsidiaries and three jointly controlled companies specified by the Central Government under sub section (1) of section 148 of the Companies Act, 2013 wherever applicable and *prima facie* the prescribed records have been made and maintained by the holding company its five subsidiaries and three jointly controlled companies. We have, however, not made detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a) According to the information and explanations given to us, the holding company, its five subsidiaries and three jointly controlled companies are regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to the holding company its five subsidiaries and three jointly controlled companies and that there are no undisputed statutory dues outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, in respect of the holding company, its five subsidiaries and three jointly controlled companies, there are no disputed dues of Wealth Tax or Duty of Customs or Duty of Excise which have not been deposited. However, following disputed demands of Income Tax or Sales Tax or Service Tax or Value Added Tax or Cess dues have not been deposited:

Name of the Statute	Nature of dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
In case of Holding Company:				
Income Tax Act, 1961	Income Tax	15.49	2004-05, 2005-06, 2007-08, 2008-09, 2009-10, 2010-11	ITAT, Delhi
Income Tax Act, 1961	Income Tax	0.08	2005-06, 2007-08	DCIT, Delhi
Income Tax Act, 1961	Income Tax	9.49	2008-09, 2009-10, 2011-12	CIT (A) Delhi
Finance Act, 1994	Service Tax	1.57	2003-04	CESTAT, Kolkata
Finance Act, 1994	Service Tax	1.89	2007-08, 2008-09	Commissioner (Central Excise), Bhubaneswar

Name of the Statute	Nature of dues	Amount* (₹ in Crore)	Period to which the amount relates	Forum where dispute is pending
J&K GST Act, 1962	Sales Tax	50.71	1995-96 to 2001-02	Sales Tax Appellate Tribunal, J&K
J&K GST Act, 1962	Sales Tax	57.75	2002-03 to 2009-10	Dy. Commissioner of Sales Tax (appeals) Jammu, J&K
Punjab Vat Act, 2005	Entry Tax	9.64	2011-12 to 2013-14	Hon'ble High Court Punjab & Haryana,
MP Entry Tax Act, 1976	Entry Tax	20.67	2011-12, 2012-13, 2014-15	Hon'ble High Court M.P., Jabalpur
Building and Other Construction Workers Welfare Cess Act, 1996	Cess	3.46	2007-08	Hon'ble High Court, Himachal Pradesh, Shimla
In case of Powerlinks Transmission Limited (Jointly controlled company):				
Central Sales Tax Act, 1956	Sales Tax	16.28	2004-05 to 2007-08	Hon'ble High Court, Lucknow
Central Sales Tax Act, 1956	Sales Tax	0.85	2008-09 to 2010-11	Addl. CST (A), Lucknow
Total		187.88		

* Demand amount including interest, net of amount paid under protest.

- c) In respect of the holding company, its five subsidiaries and three jointly controlled companies, according to the information and explanations given to the auditors, the amount which was required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
- (viii) The holding company, its five subsidiaries and three jointly controlled companies, does not have accumulated losses at the end of financial year and has not incurred any cash loss in the financial year under audit, and also in the immediately preceding financial year.
- (ix) On the basis of audit procedures adopted by us and according to the records, the holding company, its five subsidiaries and three jointly controlled companies have not defaulted in repayment of dues to any financial institution or bank or bondholders.
- (x) According to the information and explanations given to us, the holding company, its five subsidiaries and three jointly controlled companies have not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion on an overall basis and according to the information and explanations given to us, holding company, its five subsidiaries and three jointly controlled companies have applied the term loans for the purpose they were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the holding company, its five subsidiaries and three jointly controlled companies have been noticed or reported during the year.

For S.K.MEHTA & CO.

Chartered Accountants
Firm Registration No.000478N

For CHATTERJEE & CO.

Chartered Accountants
Firm Registration No. 302114E

For SAGAR & ASSOCIATES

Chartered Accountants
Firm Registration No. 003510S

(CA Puneet Harjai)

Partner
Membership No.095715

(CA S.K.Chatterjee)

Partner
Membership No.003124

(CA D. Manohar)

Partner
Membership No.029644

Place of Signature: New Delhi

Date: 30th May, 2015



पावरग्रिड

Annexure '2' referred to in our Independent Auditors' Report to the members of the **Power Grid Corporation of India Limited**, on the Consolidated Financial Statements for the year ended 31st March, 2015.

Based on the audit reports of the Holding company its four subsidiaries (out of seven subsidiaries, two are unaudited and in case of one of the audited subsidiaries, directions under sub-section (5) of the section 143 are not commented upon by the auditor) and one jointly controlled company (out of six jointly controlled companies where section 143(5) of the Act, is applicable, only two are audited and in case of one jointly controlled company directions under sub-section (5) of the section 143 are not commented upon by the auditor), we report that:

- The holding company its four subsidiaries and one jointly controlled company have not been selected for disinvestment during the year.
- There is no case of waiver/write off of loans/ interest, however non recoverable advances of ₹ 0.56 crore and bad debts ₹ 14.06 crore, against which provisions were made in earlier years have been written off during the year, on account of normal business practice.
- The holding company its four subsidiaries and one jointly controlled company have maintained adequate records in respect of inventories lying with third parties. No assets have been received by these companies as gift from Government or other authorities.
- Age wise analysis of pending legal/arbitration cases as per information and explanations given by the management, are as under:

Sl. No	Category	Number of Cases prior to year 2000	Number of Cases between 2000-2005	Number of Cases between 2005-2010	Number of Cases between 2010-2015	Total Number of Cases	Total Amount (₹ in Crore)
1	Land Acquisition	12	6	26	133	177	1983.10
2	Tree & Crop Compensation	56	126	1036	1494	2712	1311.70
3	Arbitration	6	7	16	22	51	267.00
4	Contractual	0	0	2	0	2	132.00
5	Taxes related	1	2	2	3	8	296.60
6	Civil Misc.	10	11	27	324	258	86.00
	Total	85	152	1109	1976	3322	4076.40

As per information and explanations given, in view of the size and nature of its business, the holding company, its four subsidiaries and one jointly control company are having large number of legal/arbitration cases including Tree & Crop compensation and Land Acquisition cases.

Pendency is mainly due to legal process of the Courts/arbitrators.

In our opinion the holding company, its four subsidiaries and one jointly controlled company have in place an adequate monitoring mechanism for expenditure on such legal cases.

For S.K.MEHTA & CO.
Chartered Accountants
Firm Registration No.000478N

For CHATTERJEE & CO.
Chartered Accountants
Firm Registration No. 302114E

For SAGAR & ASSOCIATES
Chartered Accountants
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(CA Puneet Harjai)
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Membership No.095715

(CA S.K.Chatterjee)
Partner
Membership No.003124

(CA D. Manohar)
Partner
Membership No.029644

Place of Signature: New Delhi
Date: 30th May, 2015



पावरग्रिड

POWER GRID CORPORATION OF INDIA LTD.

(A Government of India Enterprise)

Registered Office : B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110016

Corporate Office : "Saudamini", Plot No. 2, Sector 29, Gurgaon, Haryana - 122 001

Website : www.powergridindia.com CIN:L40101DL1989GOI038121